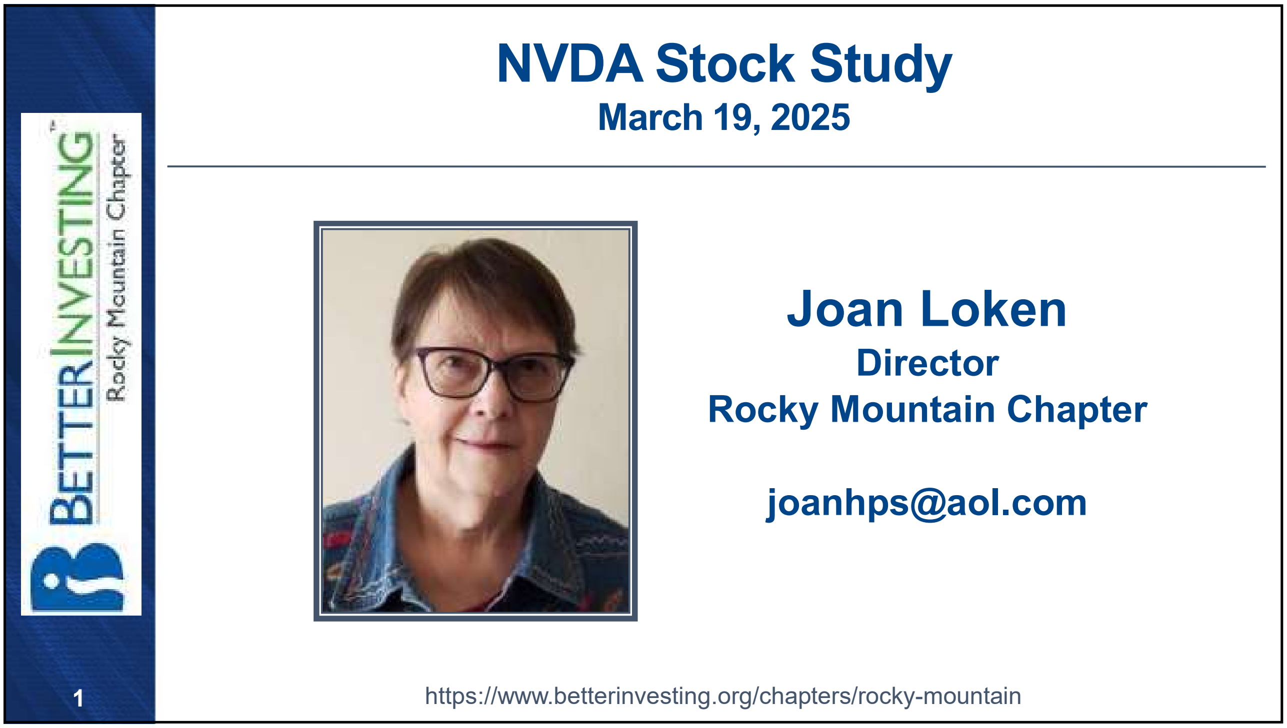


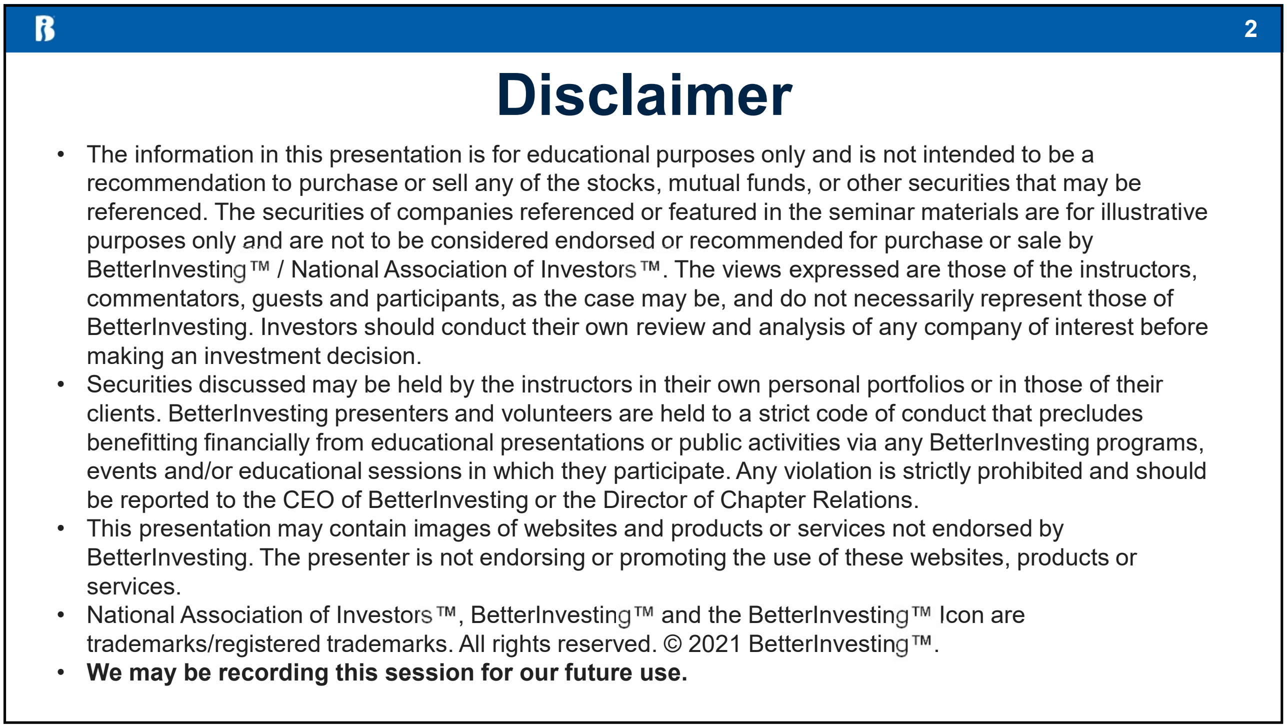
NVDA Stock Study

March 19, 2025

Joan Loken
Director
Rocky Mountain Chapter

joanhps@aol.com

https://www.betterinvesting.org/chapters/rocky-mountain



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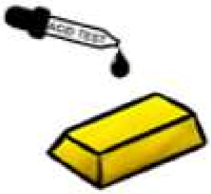
Class Overview

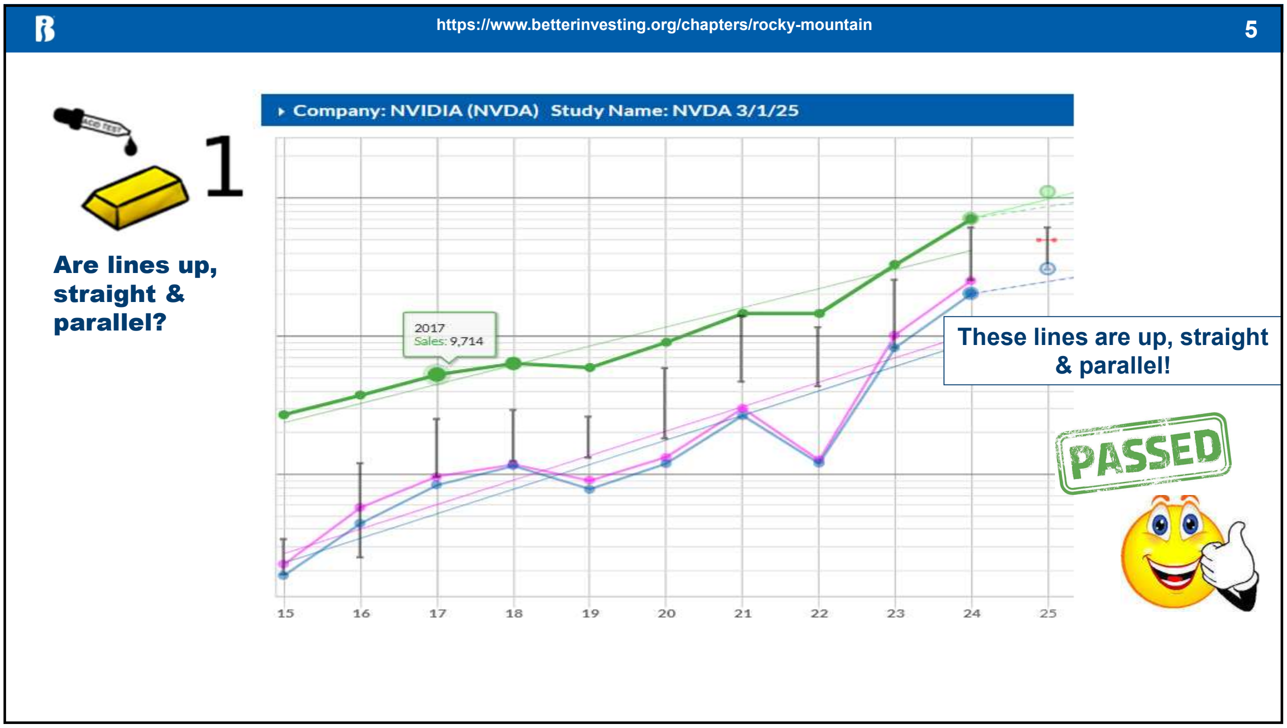
- “Acid Tests” Is this stock worth further study?
- Learn two SSG methods to evaluate high P/E stocks
  - 1st “Price to Book Ratio”
  - 2nd “Sales Forecast to High P/E Ratio”
- Learn to take advantage of a price correction

Kathleen Richards
NE Ohio Chapter



NVIDIA

“Acid Tests” – Is this stock worth further study?

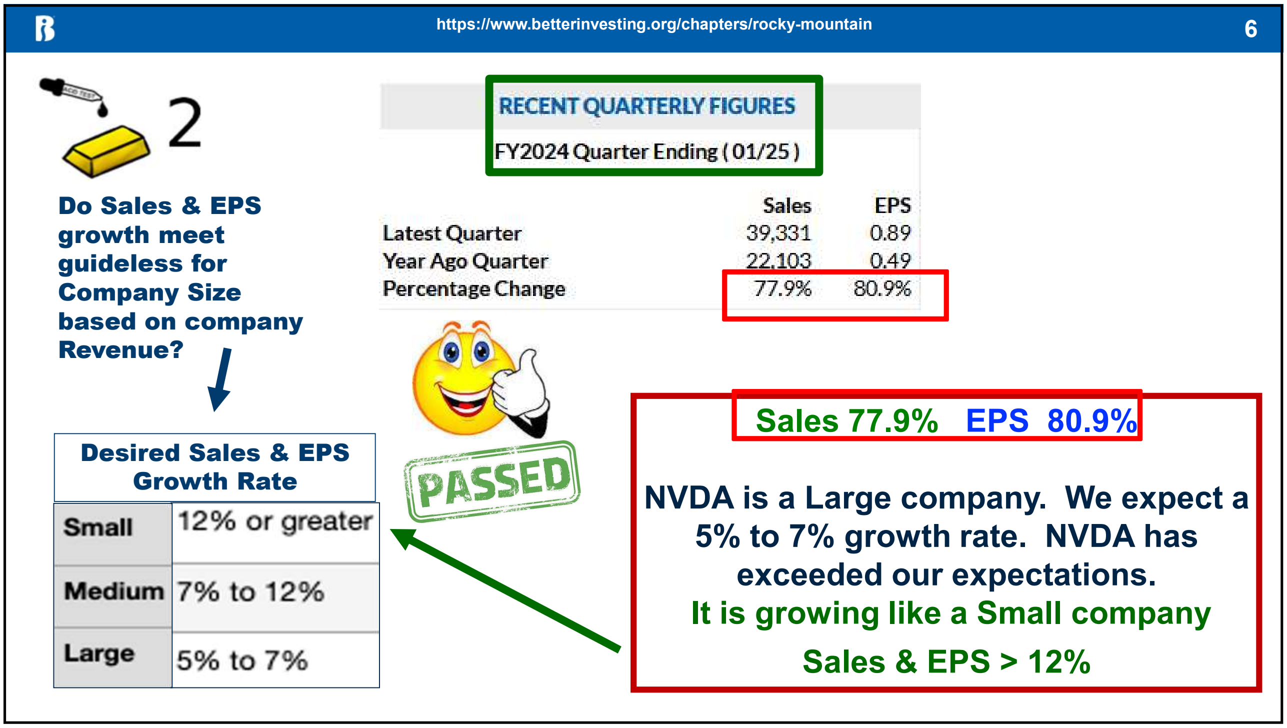


1

Are lines up, straight & parallel?

▸ Company: NVIDIA (NVDA) Study Name: NVDA 3/1/25

These lines are up, straight & parallel!



2

Do Sales & EPS growth meet guideless for Company Size based on company Revenue?

RECENT QUARTERLY FIGURES

FY2024 Quarter Ending (01/25)

	Sales	EPS
Latest Quarter	39,331	0.89
Year Ago Quarter	22,103	0.49
Percentage Change	77.9%	80.9%

Desired Sales & EPS Growth Rate

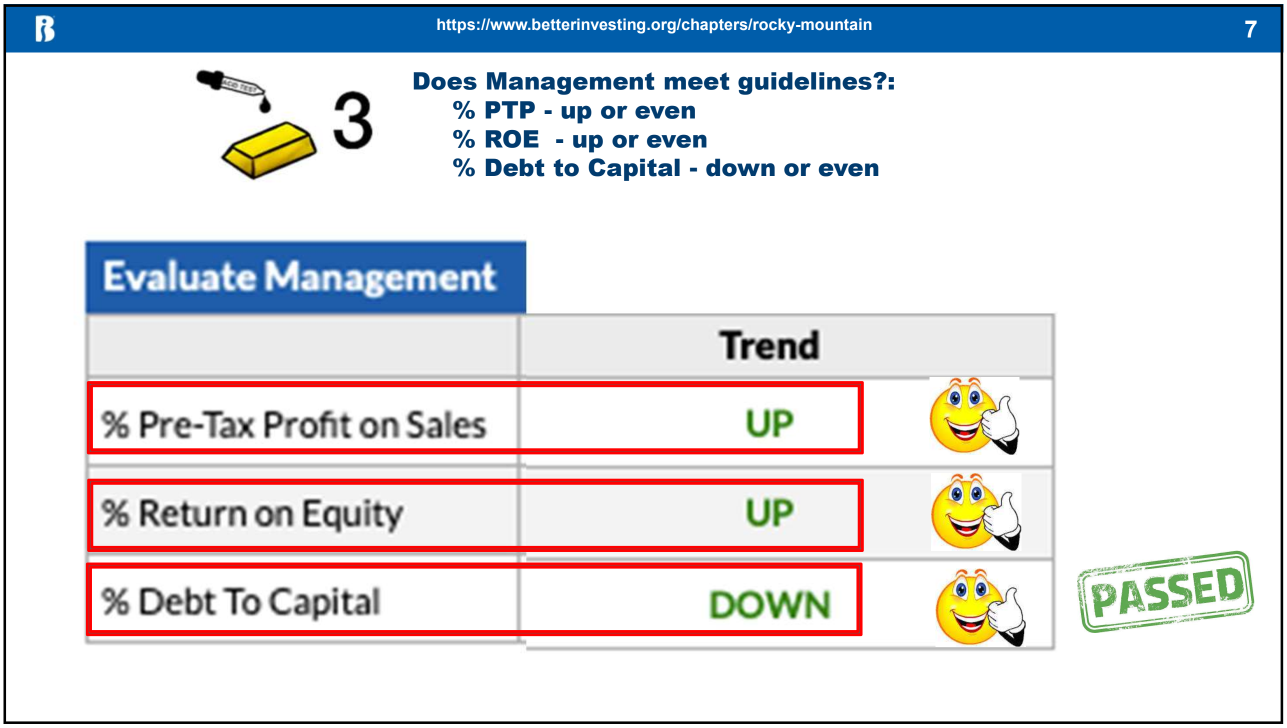
Small	12% or greater
Medium	7% to 12%
Large	5% to 7%

Sales 77.9% EPS 80.9%

NVDA is a Large company. We expect a 5% to 7% growth rate. NVDA has exceeded our expectations.

It is growing like a Small company

Sales & EPS > 12%

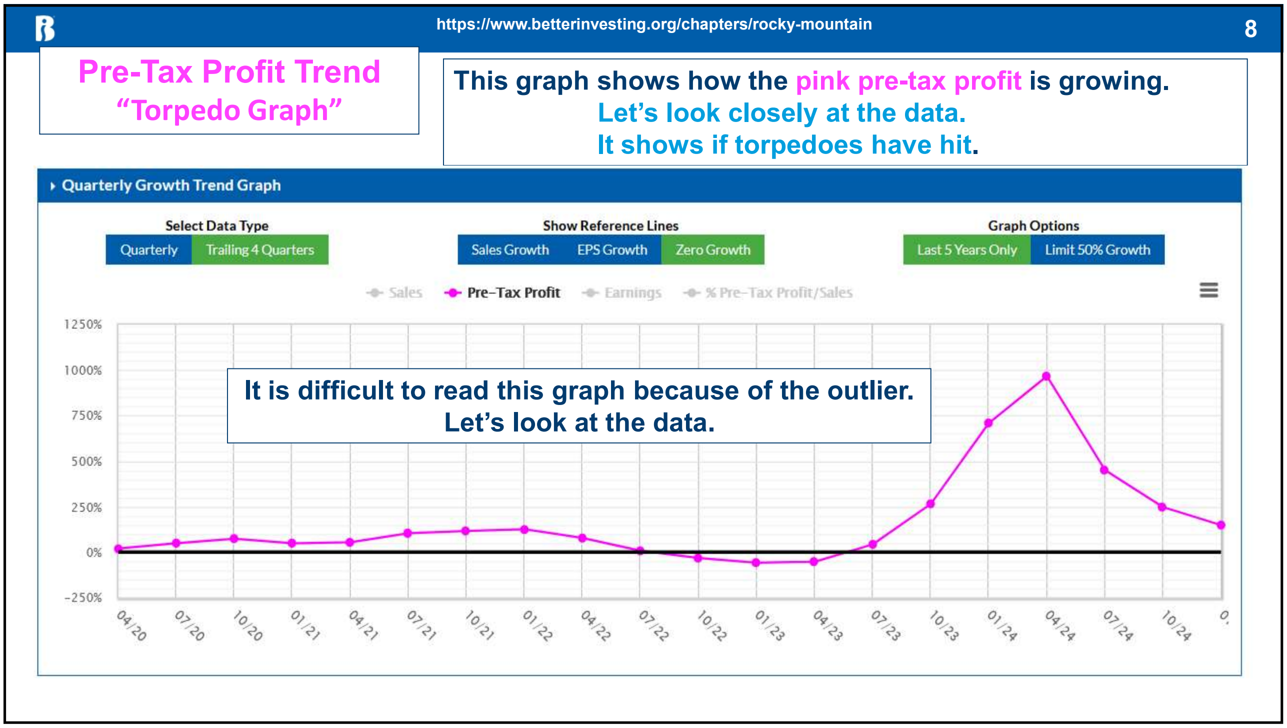


Does Management meet guidelines?:
% PTP - up or even
% ROE - up or even
% Debt to Capital - down or even

Evaluate Management

	Trend
% Pre-Tax Profit on Sales	UP
% Return on Equity	UP
% Debt To Capital	DOWN

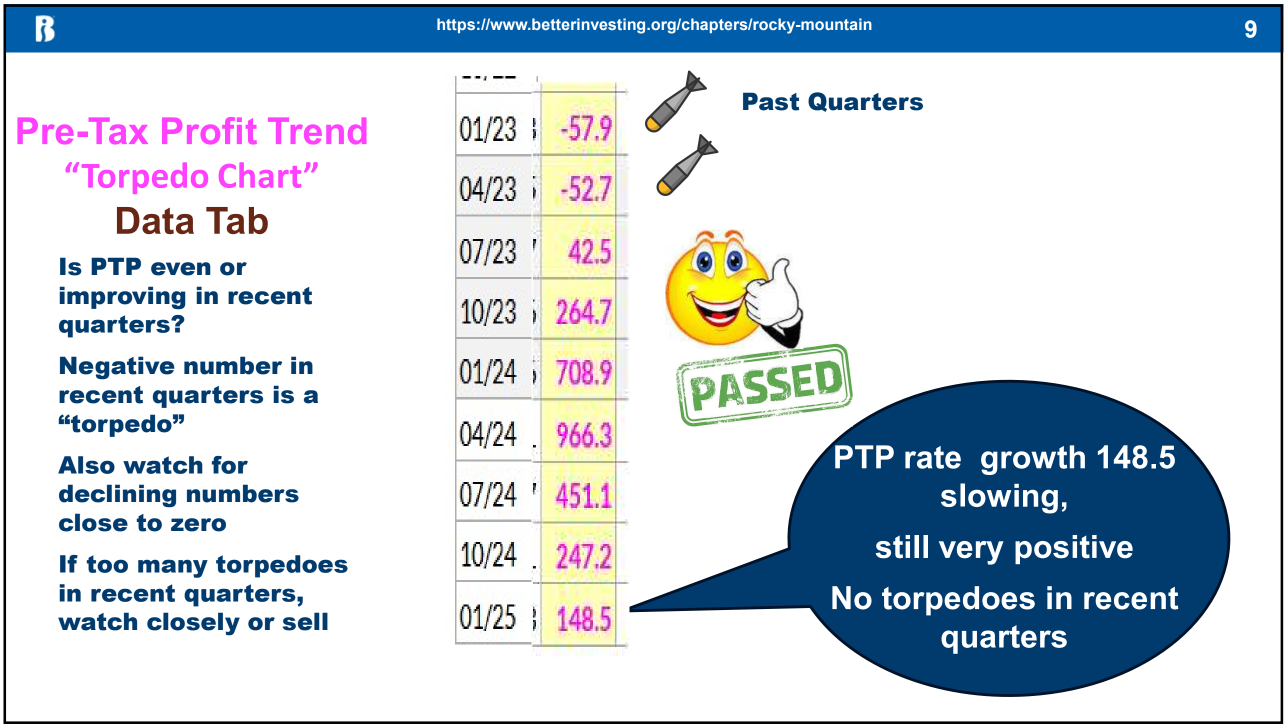
PASSED



Pre-Tax Profit Trend “Torpedo Graph”

This graph shows how the pink pre-tax profit is growing.
Let’s look closely at the data.
It shows if torpedoes have hit.

It is difficult to read this graph because of the outlier.
Let’s look at the data.



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Pre-Tax Profit Trend
“Torpedo Chart”
Data Tab

Is PTP even or improving in recent quarters?

Negative number in recent quarters is a “torpedo”

Also watch for declining numbers close to zero

If too many torpedoes in recent quarters, watch closely or sell

01/23	-57.9
04/23	-52.7
07/23	42.5
10/23	264.7
01/24	708.9
04/24	966.3
07/24	451.1
10/24	247.2
01/25	148.5

Past Quarters

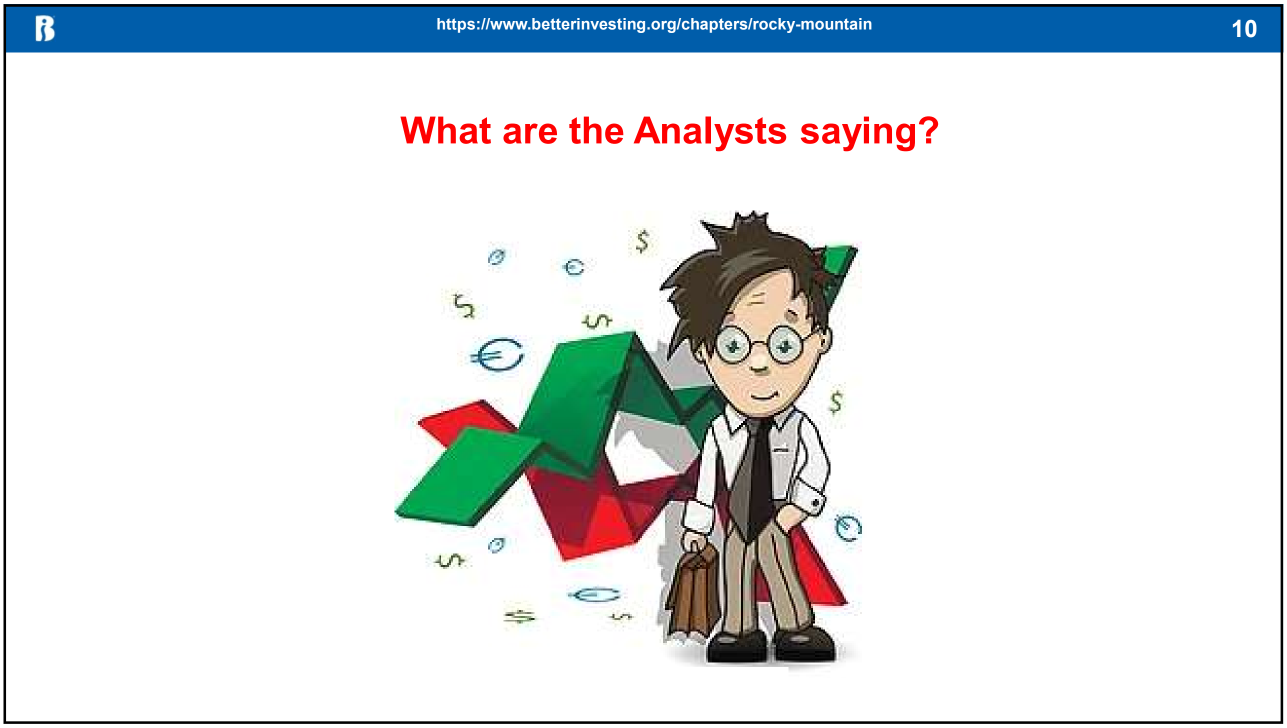
PASSED

PTP rate growth 148.5 slowing,

still very positive

No torpedoes in recent quarters

9



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What are the Analysts saying?

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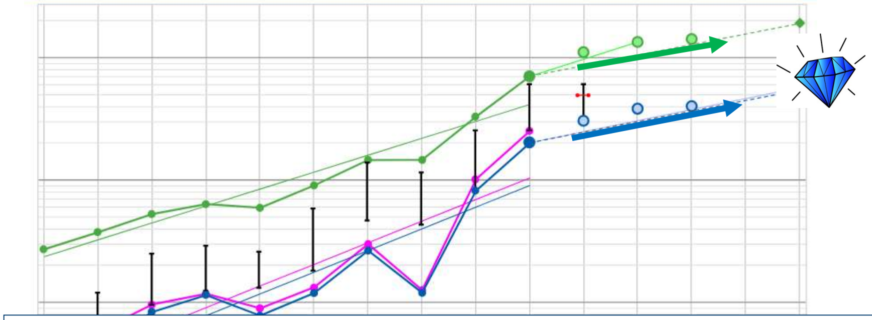
MORNINGSTAR

MORNINGSTAR

Morningstar provides 2-year analyst estimates

Company: NVIDIA (NVDA) Study Name: NVDA 3/1/25



Blue Diamond: Is EPS Judgment 5 years into the future

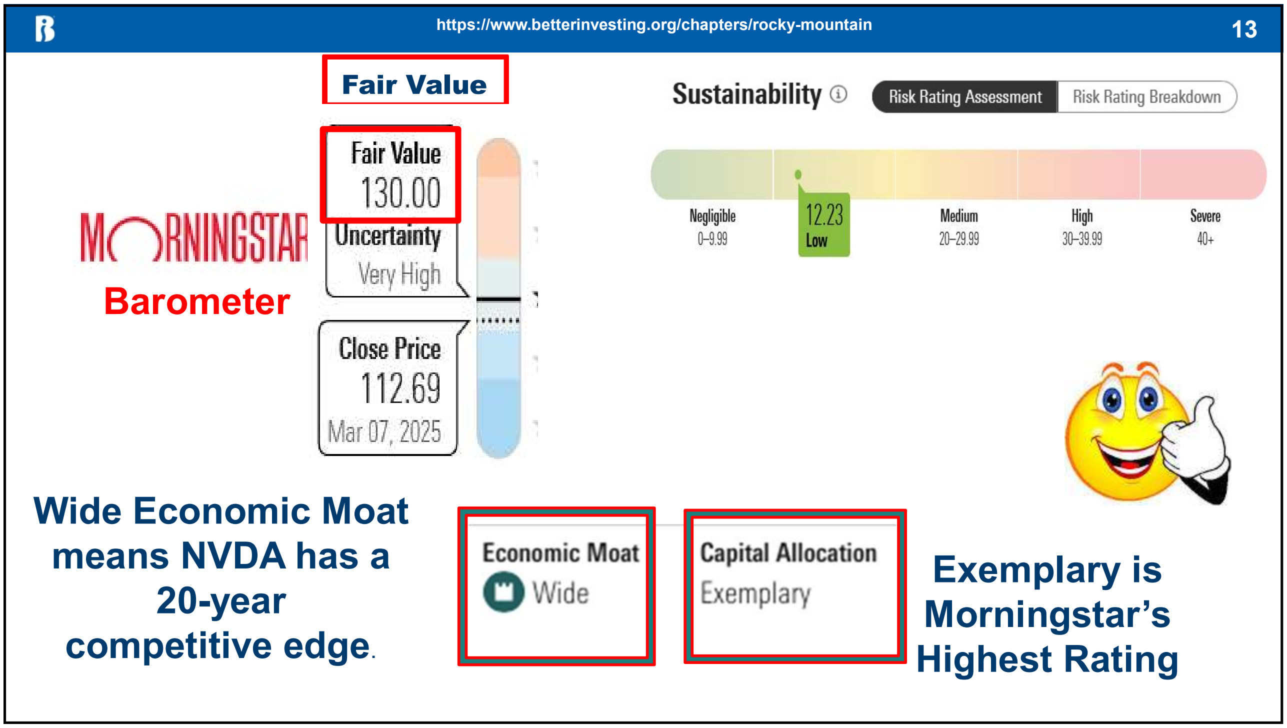
The dots (bubbles) going into the future are M* analyst estimates out to the future.

Dotted line is my estimate. The arrow on the dotted line shows my estimate compared to M* analyst estimates

Future: Green Sales and Blue EPS bubble are going up.

The arrows (my estimate) is just below the Morningstar's bubbles, stretching out and touching our blue diamond.

This indicates that my judgment is in alignment with Morningstar's.



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Fair Value

Fair Value
130.00
Uncertainty
Very High

Close Price
112.69
Mar 07, 2025

MORNINGSTAR **Barometer**

Sustainability
Risk Rating Assessment | Risk Rating Breakdown

Negligible	12.23 Low	Medium	High	Severe
0–9.99		20–29.99	30–39.99	40+

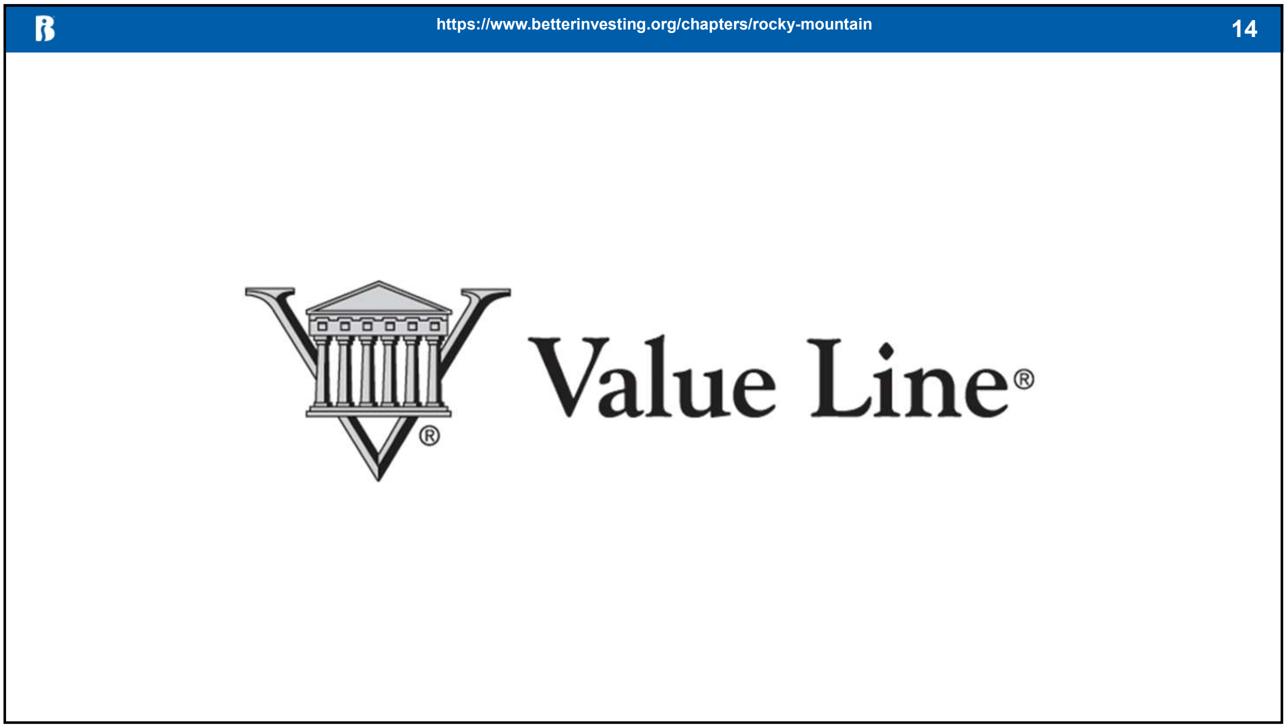
Wide Economic Moat means NVDA has a 20-year competitive edge.

Economic Moat
Wide

Capital Allocation
Exemplary

Exemplary is Morningstar's Highest Rating

13



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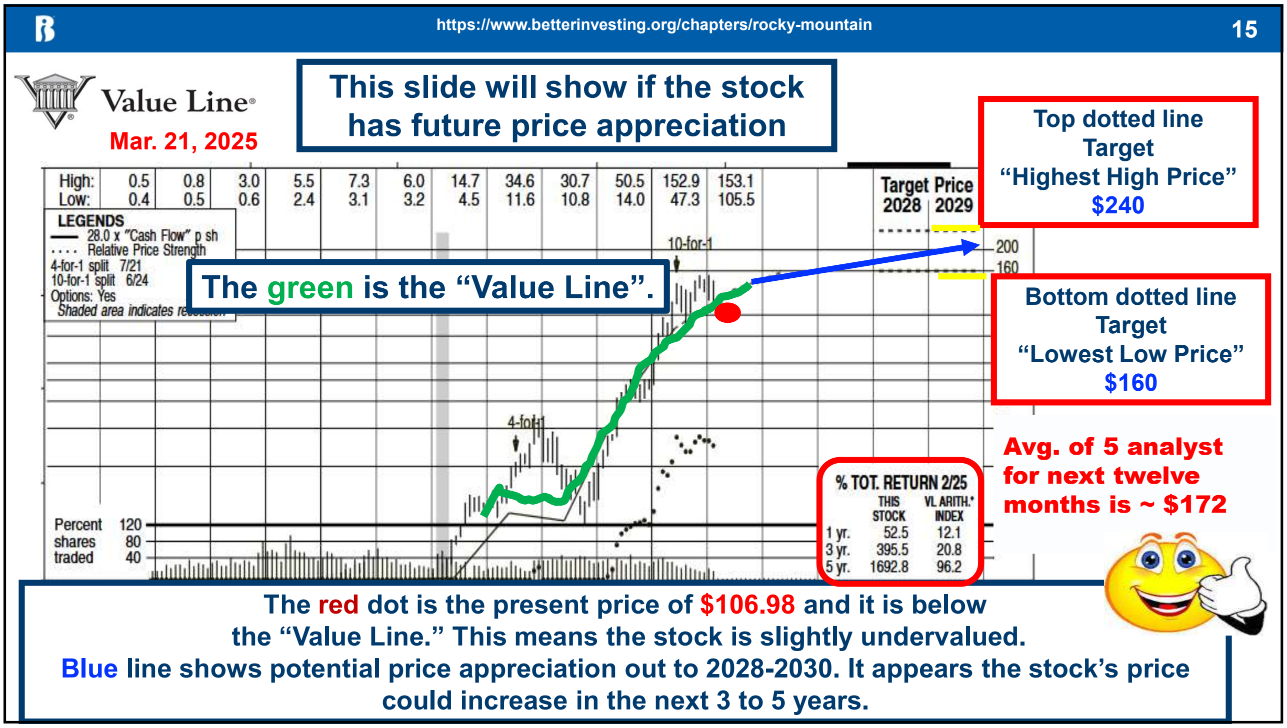
Value Line®

14



Value Line
Mar. 21, 2025

This slide will show if the stock has future price appreciation

Top dotted line Target "Highest High Price" $240

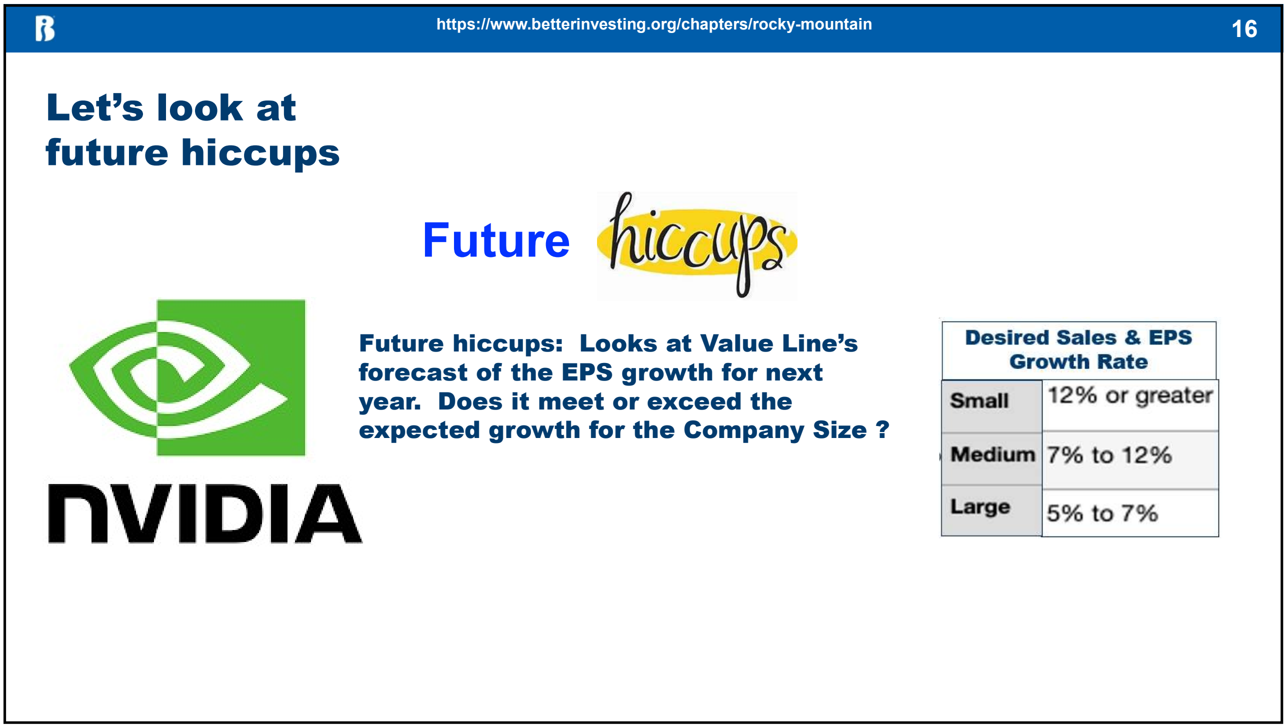
The green is the "Value Line".

Bottom dotted line Target "Lowest Low Price" $160

Avg. of 5 analyst for next twelve months is ~ $172

% TOT. RETURN 2/25	THIS STOCK	VL ARITH.* INDEX
1 yr.	52.5	12.1
3 yr.	395.5	20.8
5 yr.	1692.8	96.2

The red dot is the present price of $106.98 and it is below the "Value Line." This means the stock is slightly undervalued. Blue line shows potential price appreciation out to 2028-2030. It appears the stock's price could increase in the next 3 to 5 years.

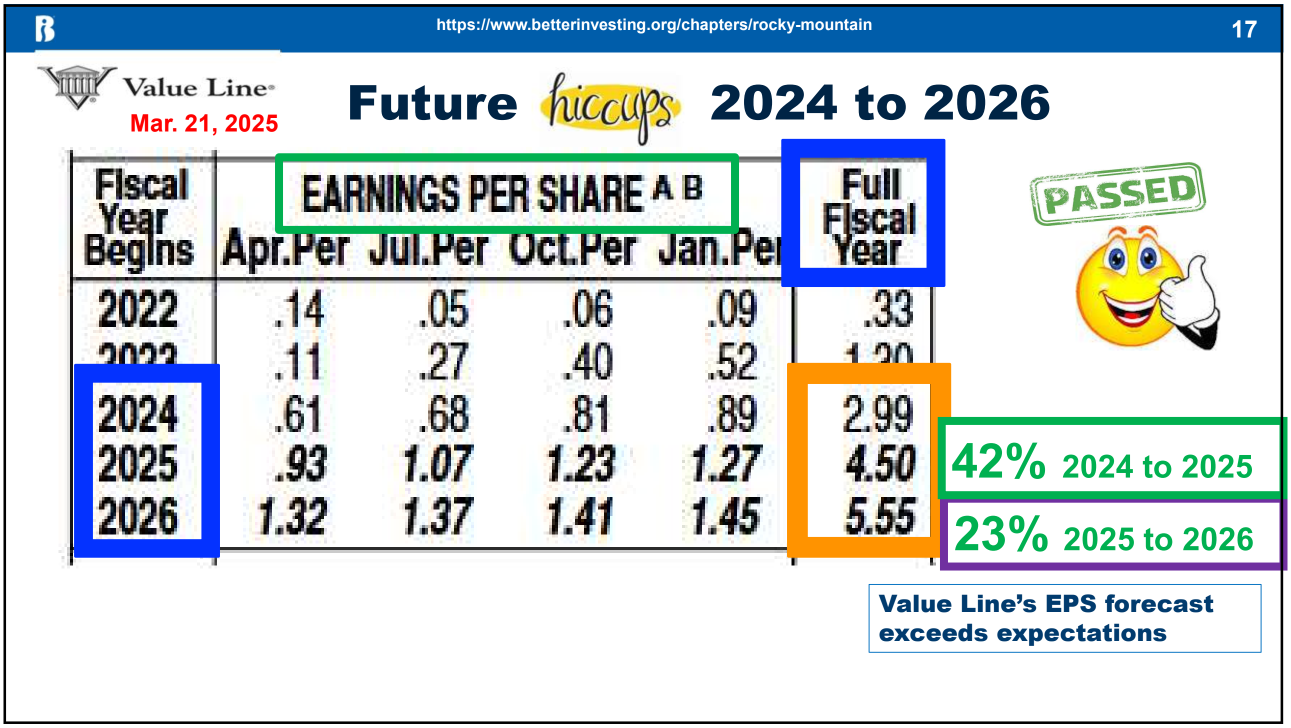


Let's look at future hiccups

Future *hiccups*

Future hiccups: Looks at Value Line's forecast of the EPS growth for next year. Does it meet or exceed the expected growth for the Company Size ?

Desired Sales & EPS Growth Rate	
Small	12% or greater
Medium	7% to 12%
Large	5% to 7%



Value Line
Mar. 21, 2025

Future hiccups 2024 to 2026

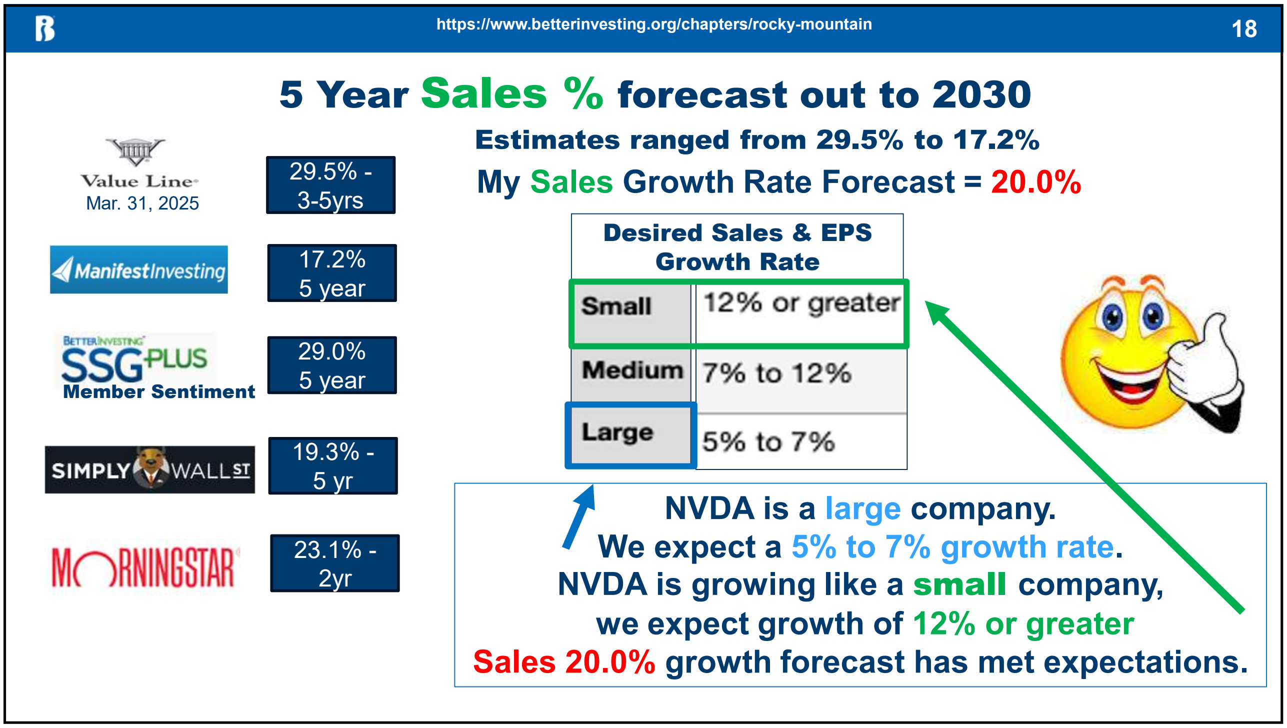
Fiscal Year Begins	EARNINGS PER SHARE A B Apr.Per	Jul.Per	Oct.Per	Jan.Per	Full Fiscal Year
2022	.14	.05	.06	.09	.33
2023	.11	.27	.40	.52	1.20
2024	.61	.68	.81	.89	2.99
2025	.93	1.07	1.23	1.27	4.50
2026	1.32	1.37	1.41	1.45	5.55

42% 2024 to 2025

23% 2025 to 2026

PASSED

Value Line's EPS forecast exceeds expectations



5 Year Sales % forecast out to 2030

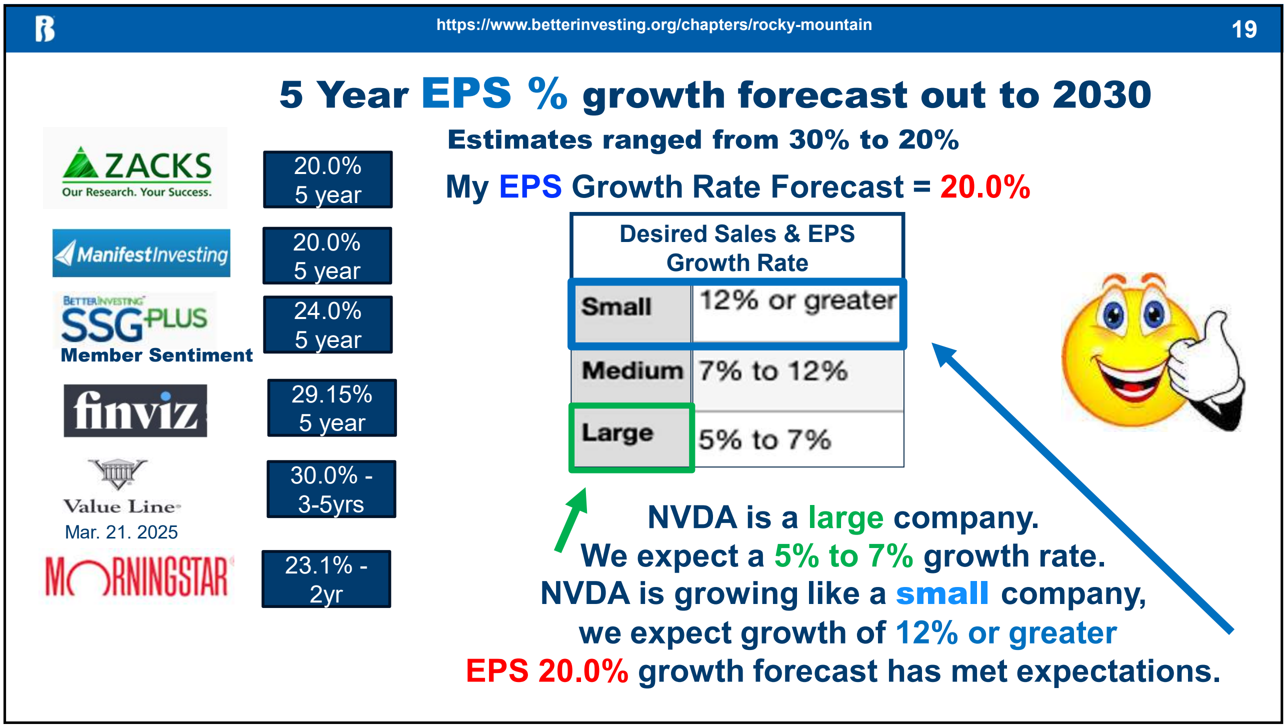
Estimates ranged from 29.5% to 17.2%

My Sales Growth Rate Forecast = 20.0%

Value Line Mar. 31, 2025	29.5% - 3-5yrs
ManifestInvesting	17.2% 5 year
BetterInvesting SSG PLUS Member Sentiment	29.0% 5 year
SIMPLY WALL ST	19.3% - 5 yr
MORNINGSTAR	23.1% - 2yr

Desired Sales & EPS Growth Rate	
Small	12% or greater
Medium	7% to 12%
Large	5% to 7%

NVDA is a large company.
We expect a 5% to 7% growth rate.
NVDA is growing like a small company,
we expect growth of 12% or greater
Sales 20.0% growth forecast has met expectations.



5 Year EPS % growth forecast out to 2030

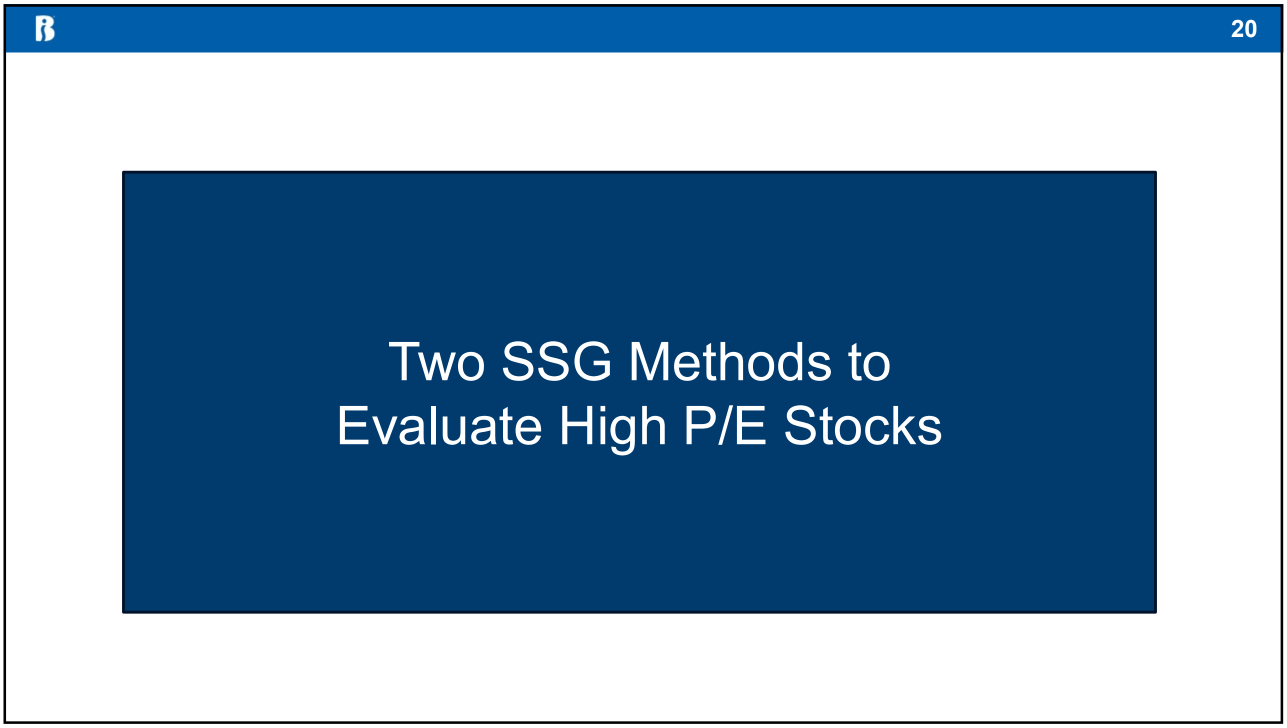
Estimates ranged from 30% to 20%

My EPS Growth Rate Forecast = 20.0%

ZACKS	20.0% 5 year
ManifestInvesting	20.0% 5 year
SSG PLUS Member Sentiment	24.0% 5 year
finviz	29.15% 5 year
Value Line Mar. 21. 2025	30.0% - 3-5yrs
MORNINGSTAR	23.1% - 2yr

Desired Sales & EPS Growth Rate	
Small	12% or greater
Medium	7% to 12%
Large	5% to 7%

NVDA is a large company.
We expect a 5% to 7% growth rate.
NVDA is growing like a small company,
we expect growth of 12% or greater
EPS 20.0% growth forecast has met expectations.



Two SSG Methods to
Evaluate High P/E Stocks

High P/E Stock Considerations by Motley Fool

- **Industry PEG's**
  - **Mature industries warrant lower PEG's**
  - **Technology and faster growing companies warrant a higher PEG**
- **For faster growing companies: use additional analysis**
  - **Cash Flow**
  - **Book Value**
  - **Debt Burden**
- **Using additional stock studies approaches helps confirm if analysis trajectory is rationale**

Returns with 2 SSG approaches

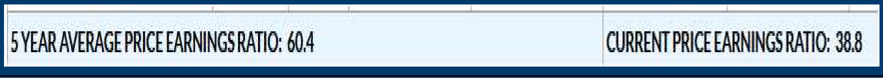
1. **Price to Book Value per Share**
   (John Rogers)
2. **Sales Forecast to High P/E Ratio**
   (Ticker Talk)

Focus on the "Key Judgment" areas of the SSG

Then a look at the results

Price to Book Ratio
SSG

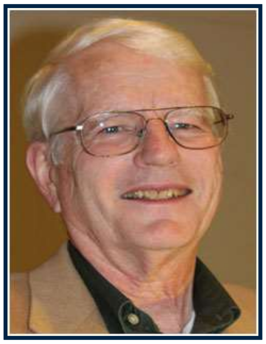
P/E Ratios at time of Study



5 YEAR AVERAGE PRICE EARNINGS RATIO: 60.4

CURRENT PRICE EARNINGS RATIO: 38.8

1st SSG Approach
Price to Book Value per Share



John Rogers
Rocky Mountain Chapter

- **John’s work career as an engineer for a major energy company was to analyze companies as possible acquisitions**
- **In 2018, John demonstrated using “Ratios” to analyze high P/E stocks**
- **As a case study, he used AMZN, it had rapid sales growth and little reported earnings**
- **AMZN P/E was over 200**
- **Used Book Value Ratio and explained how**

Introduction to using different ratios for a stock evaluation, view the short presentation by John Rogers.

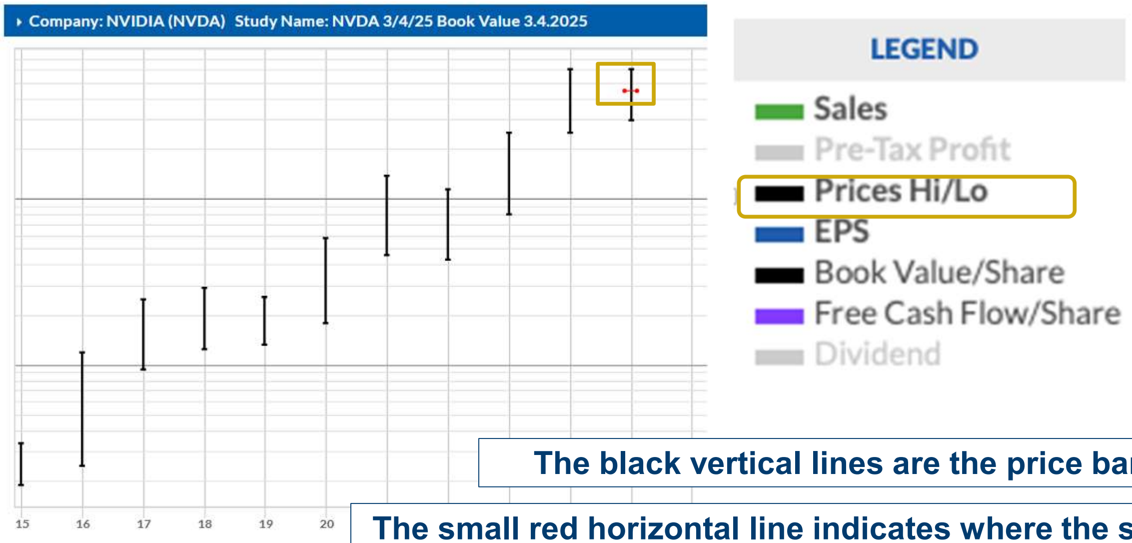
Book Value per Share

- It is the cash investors would receive, if all the company's
  - assets are sold and
  - debts and obligations are paid off

- Book Value determines the company's worth TODAY

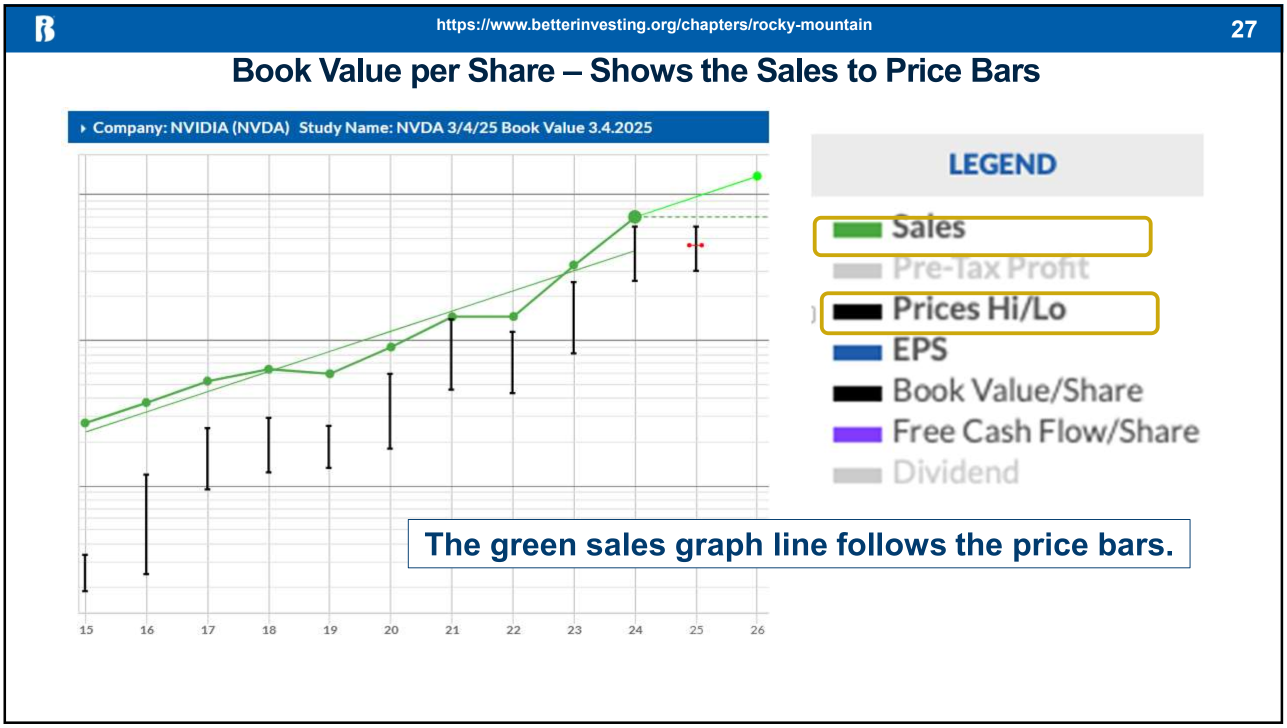
- Book Value per Share aka "Book"

Book Value per Share – Shows price bars



The black vertical lines are the price bars.

The small red horizontal line indicates where the stock is trading between 52 week high and low price.



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Book Value per Share – Shows the Sales to Price Bars

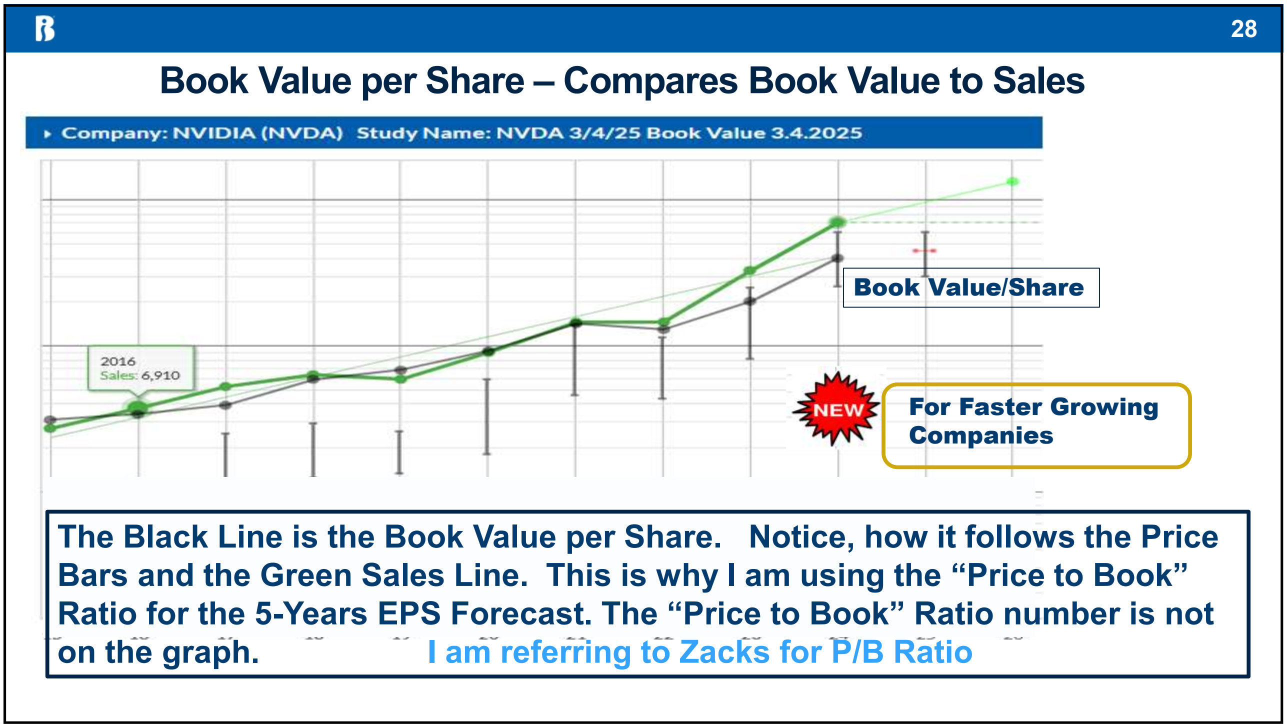
▸ Company: NVIDIA (NVDA) Study Name: NVDA 3/4/25 Book Value 3.4.2025

LEGEND

- 🟩 Sales
- ▨ Pre-Tax Profit
- ■ Prices Hi/Lo
- 🟦 EPS
- ■ Book Value/Share
- 🟪 Free Cash Flow/Share
- ▨ Dividend

The green sales graph line follows the price bars.

27



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Book Value per Share – Compares Book Value to Sales

▸ Company: NVIDIA (NVDA) Study Name: NVDA 3/4/25 Book Value 3.4.2025

Book Value/Share

For Faster Growing Companies

The Black Line is the Book Value per Share. Notice, how it follows the Price Bars and the Green Sales Line. This is why I am using the "Price to Book" Ratio for the 5-Years EPS Forecast. The "Price to Book" Ratio number is not on the graph. **I am referring to Zacks for P/B Ratio**

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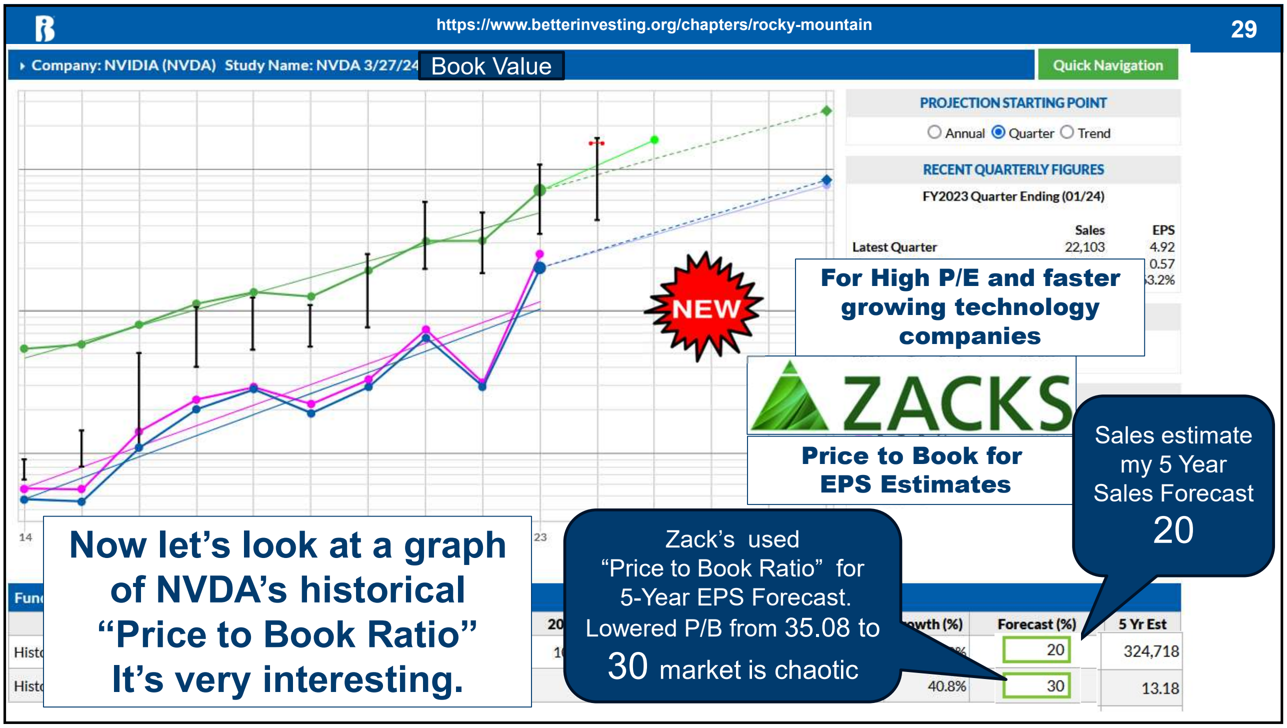

▸ Company: NVIDIA (NVDA) Study Name: NVDA 3/27/24 **Book Value**

PROJECTION STARTING POINT

○ Annual ● Quarter ○ Trend

RECENT QUARTERLY FIGURES

FY2023 Quarter Ending (01/24)

	Sales	EPS
Latest Quarter	22,103	4.92
		0.57
		3.2%

For High P/E and faster growing technology companies

Price to Book for EPS Estimates

Sales estimate my 5 Year Sales Forecast 20

Now let's look at a graph of NVDA's historical "Price to Book Ratio" It's very interesting.

Zack's used "Price to Book Ratio" for 5-Year EPS Forecast. Lowered P/B from 35.08 to 30 market is chaotic

	20	owth (%)	Forecast (%)	5 Yr Est
Histo	10	%	20	324,718
Histo		40.8%	30	13.18

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Fundamental Charts

35.08

Notice: the blue dotted line (price) & green line (book value)

As the price dropped so did the Book Value.

Let's look at it another way.

About Price To Book Value

The Price to Book ratio or P/B is calculated as market capitalization divided by its book value. (Book value is defined as total assets minus liabilities, preferred stocks, and intangible assets.) In short, this is how much a company is worth. Investors use this metric to determine how a company's stock price stacks up to its intrinsic value.

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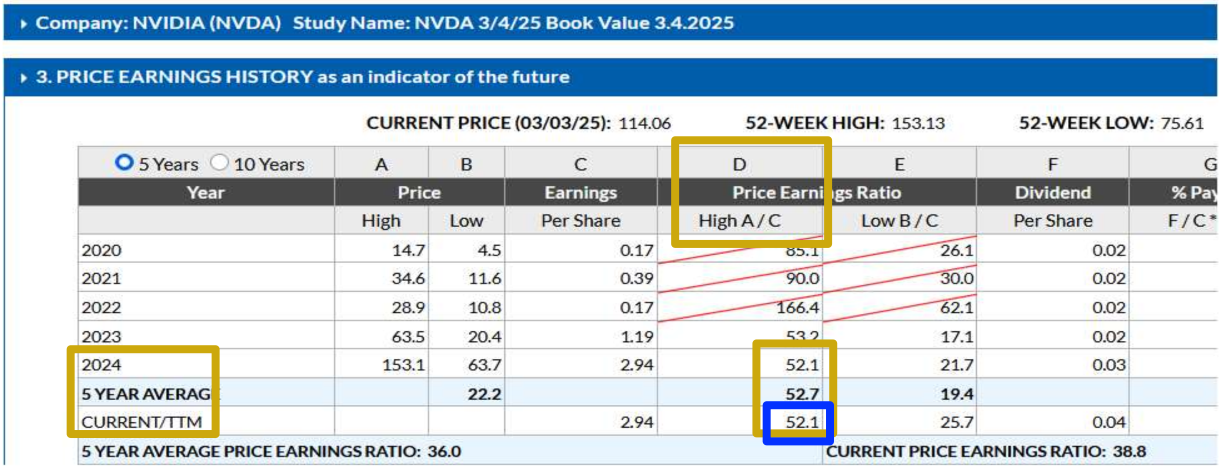
FinanceCharts **March 4, 2025**

Notice: In the red box, when the stock price drops, so does the Average Price to Book Value. **Book Value is related to the current price.**

To be conservative.

I lowered the P/B ratio from 38 to 30 because market is chaotic.

Section 3: Picking My High P/E



Company: NVIDIA (NVDA) Study Name: NVDA 3/4/25 Book Value 3.4.2025

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (03/03/25): 114.06 **52-WEEK HIGH:** 153.13 **52-WEEK LOW:** 75.61

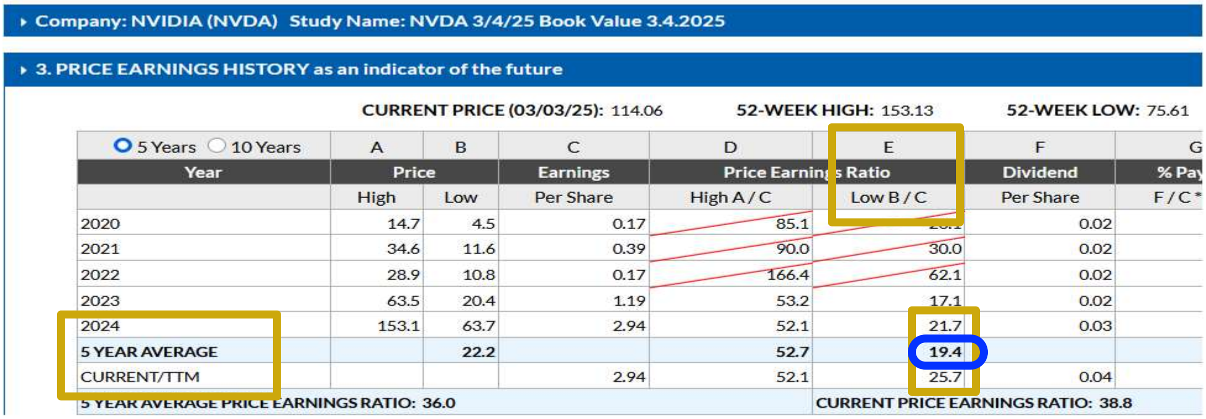
● 5 Years ○ 10 Years	A	B	C	D	E	F	G
Year	**Price**		**Earnings**	**Price Earni gs Ratio**		**Dividend**	**% Pay**
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C *
2020	14.7	4.5	0.17	~~85.1~~	~~26.1~~	0.02	
2021	34.6	11.6	0.39	~~90.0~~	~~30.0~~	0.02	
2022	28.9	10.8	0.17	~~166.4~~	~~62.1~~	0.02	
2023	63.5	20.4	1.19	53.2	17.1	0.02	
2024	153.1	63.7	2.94	52.1	21.7	0.03	
5 YEAR AVERAG		**22.2**		**52.7**	**19.4**		
CURRENT/TTM			2.94	52.1	25.7	0.04	

5 YEAR AVERAGE PRICE EARNINGS RATIO: 36.0 **CURRENT PRICE EARNINGS RATIO: 38.8**

I picked the lowest of the 3 High P/E's

52.1 rounded to 52

Section 3: Picking My Low P/E



Company: NVIDIA (NVDA) Study Name: NVDA 3/4/25 Book Value 3.4.2025

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (03/03/25): 114.06 **52-WEEK HIGH:** 153.13 **52-WEEK LOW:** 75.61

● 5 Years ○ 10 Years	A	B	C	D	E	F	G
Year	**Price**		**Earnings**	**Price Earnings Ratio**		**Dividend**	**% Pay**
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C *
2020	14.7	4.5	0.17	~~85.1~~	[illegible]	0.02	
2021	34.6	11.6	0.39	~~90.0~~	~~30.0~~	0.02	
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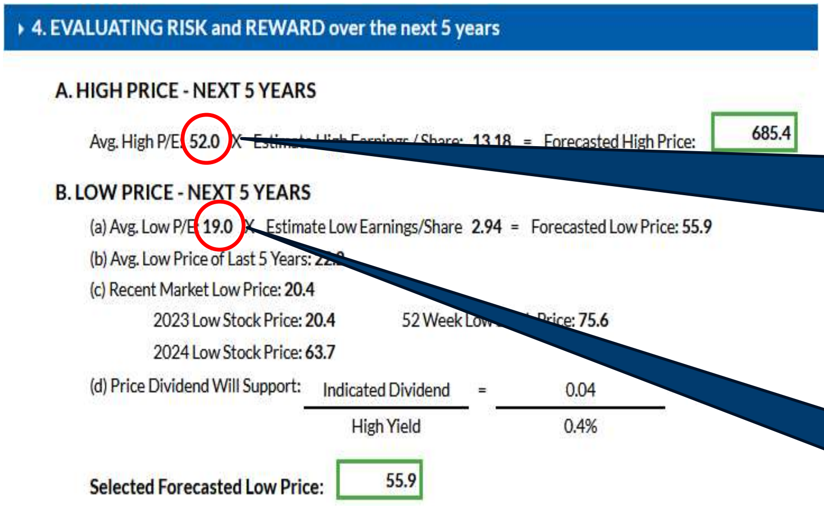
2024	153.1	63.7	2.94	52.1	21.7	0.03	
5 YEAR AVERAGE		**22.2**		**52.7**	**19.4**		
CURRENT/TTM			2.94	52.1	25.7	0.04	

5 YEAR AVERAGE PRICE EARNINGS RATIO: 36.0 **CURRENT PRICE EARNINGS RATIO: 38.8**

I picked the lowest of the 3 Low P/E's. I chose 19.4 and rounded down to 19.

Price to Book



4. EVALUATING RISK and REWARD over the next 5 years

A. HIGH PRICE - NEXT 5 YEARS

Avg. High P/E: 52.0 X Estimate High Earnings / Share: 13.18 = Forecasted High Price: 685.4

B. LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E: 19.0 X Estimate Low Earnings/Share 2.94 = Forecasted Low Price: 55.9

(b) Avg. Low Price of Last 5 Years: 22.[illegible]

(c) Recent Market Low Price: 20.4

2023 Low Stock Price: 20.4 52 Week Low Stock Price: 75.6

2024 Low Stock Price: 63.7

(d) Price Dividend Will Support: Indicated Dividend / High Yield = 0.04 / 0.4%

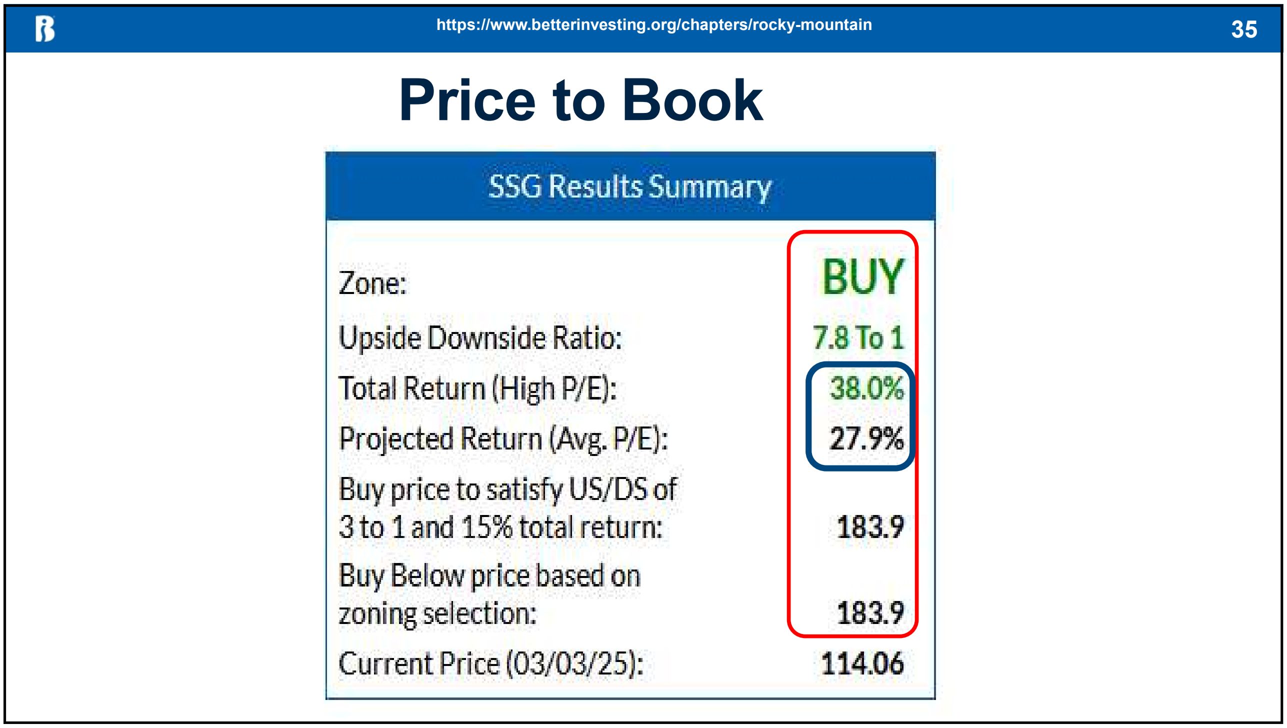
Selected Forecasted Low Price: 55.9

I chose the Lowest of:
The Last Year,
The 5-Year Average or
Current/TTM

High P/E = 52.0

It is the lowest of the
Low P/E options

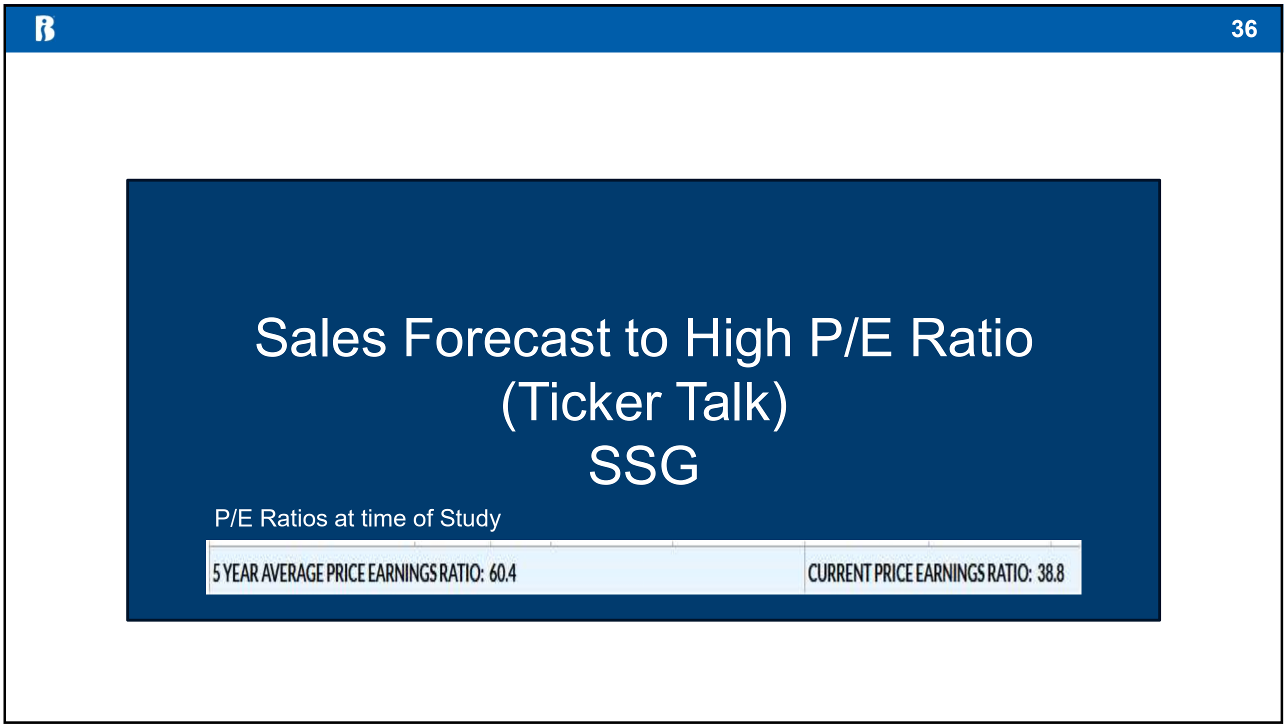
Low P/E = 19.0



Price to Book

SSG Results Summary

Zone:	BUY
Upside Downside Ratio:	7.8 To 1
Total Return (High P/E):	38.0%
Projected Return (Avg. P/E):	27.9%
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	183.9
Buy Below price based on zoning selection:	183.9
Current Price (03/03/25):	114.06



Sales Forecast to High P/E Ratio (Ticker Talk) SSG

P/E Ratios at time of Study

5 YEAR AVERAGE PRICE EARNINGS RATIO: 60.4	CURRENT PRICE EARNINGS RATIO: 38.8

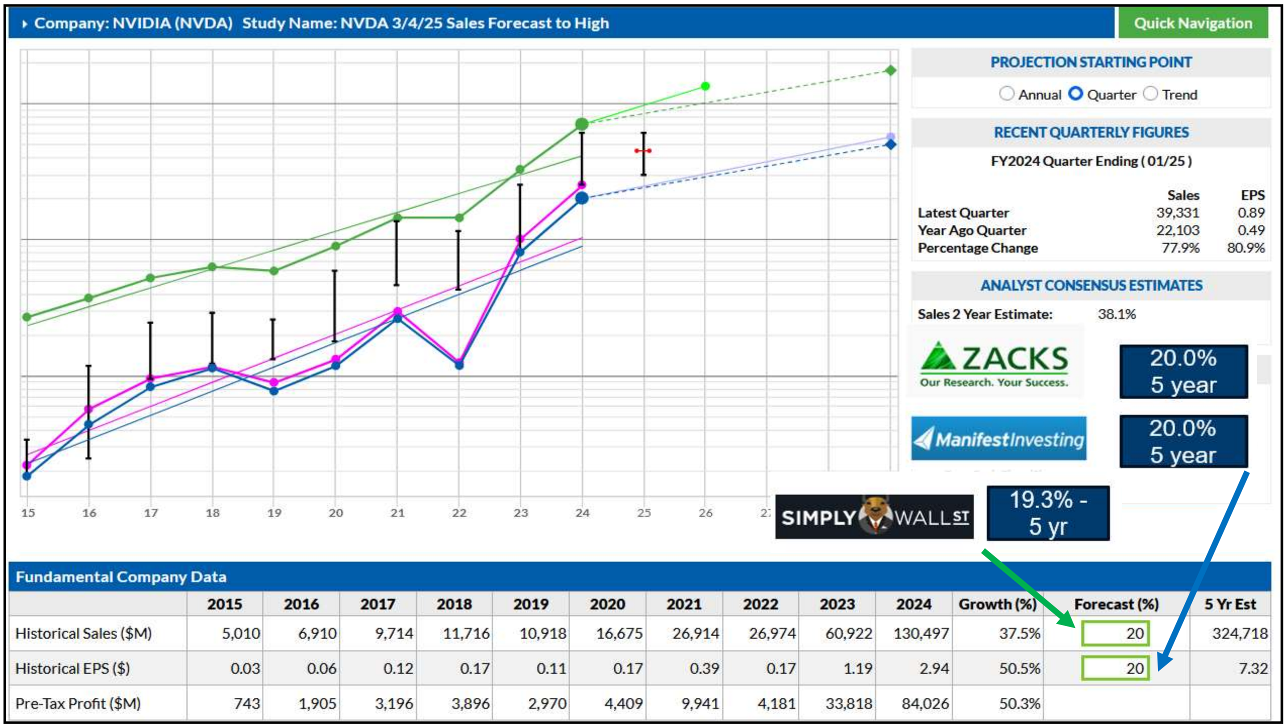
2nd SSG Approach

Sales Forecast to High P/E Ratio

**I learned this technique in Ticker Talk
a number of years back**

**I have searched for the recording
It has since been taken down
BI periodically reduces the number of recordings on website**

**Recording No Longer Posted
I will demonstrate what I learned**



Company: NVIDIA (NVDA) Study Name: NVDA 3/4/25 Sales Forecast to High

PROJECTION STARTING POINT

○ Annual ● Quarter ○ Trend

RECENT QUARTERLY FIGURES

FY2024 Quarter Ending (01/25)

	Sales	EPS
Latest Quarter	39,331	0.89
Year Ago Quarter	22,103	0.49
Percentage Change	77.9%	80.9%

ANALYST CONSENSUS ESTIMATES

Sales 2 Year Estimate: 38.1%

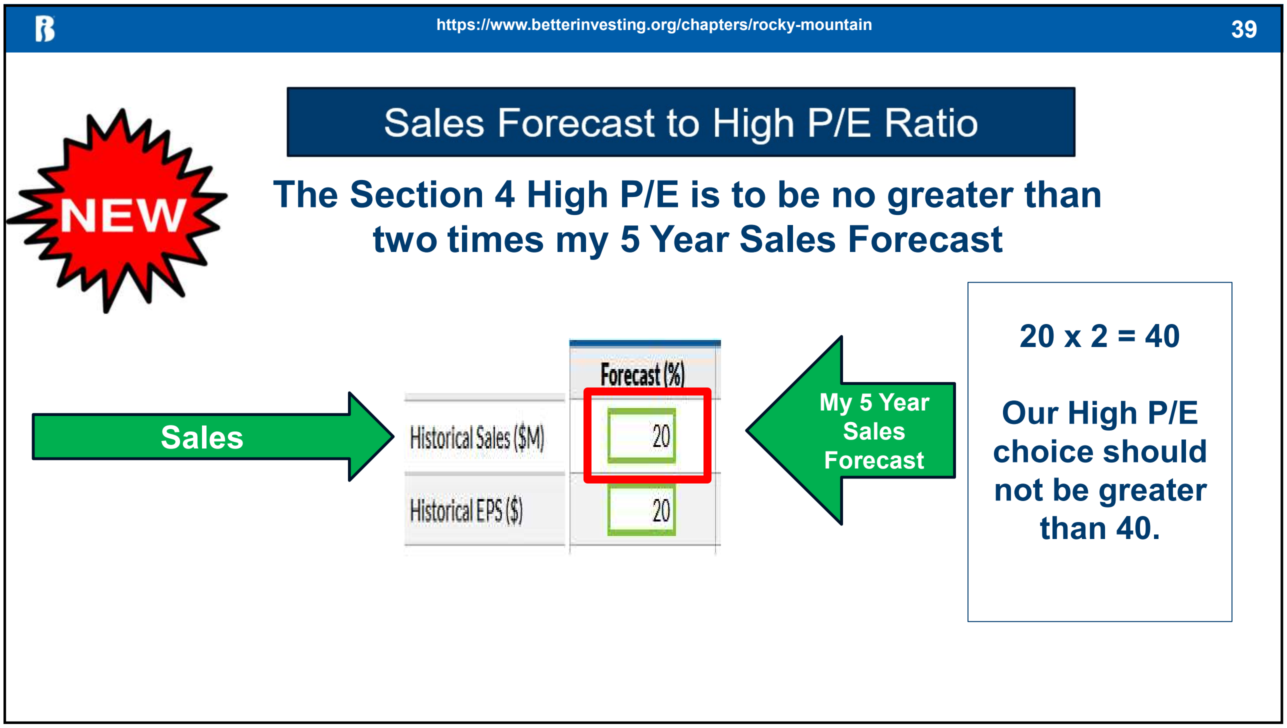
ZACKS Our Research. Your Success. 20.0% 5 year

ManifestInvesting 20.0% 5 year

SIMPLY WALL ST 19.3% - 5 yr

Fundamental Company Data

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Growth (%)	Forecast (%)	5 Yr Est
Historical Sales ($M)	5,010	6,910	9,714	11,716	10,918	16,675	26,914	26,974	60,922	130,497	37.5%	20	324,718
Historical EPS ($)	0.03	0.06	0.12	0.17	0.11	0.17	0.39	0.17	1.19	2.94	50.5%	20	7.32
Pre-Tax Profit ($M)	743	1,905	3,196	3,896	2,970	4,409	9,941	4,181	33,818	84,026	50.3%		



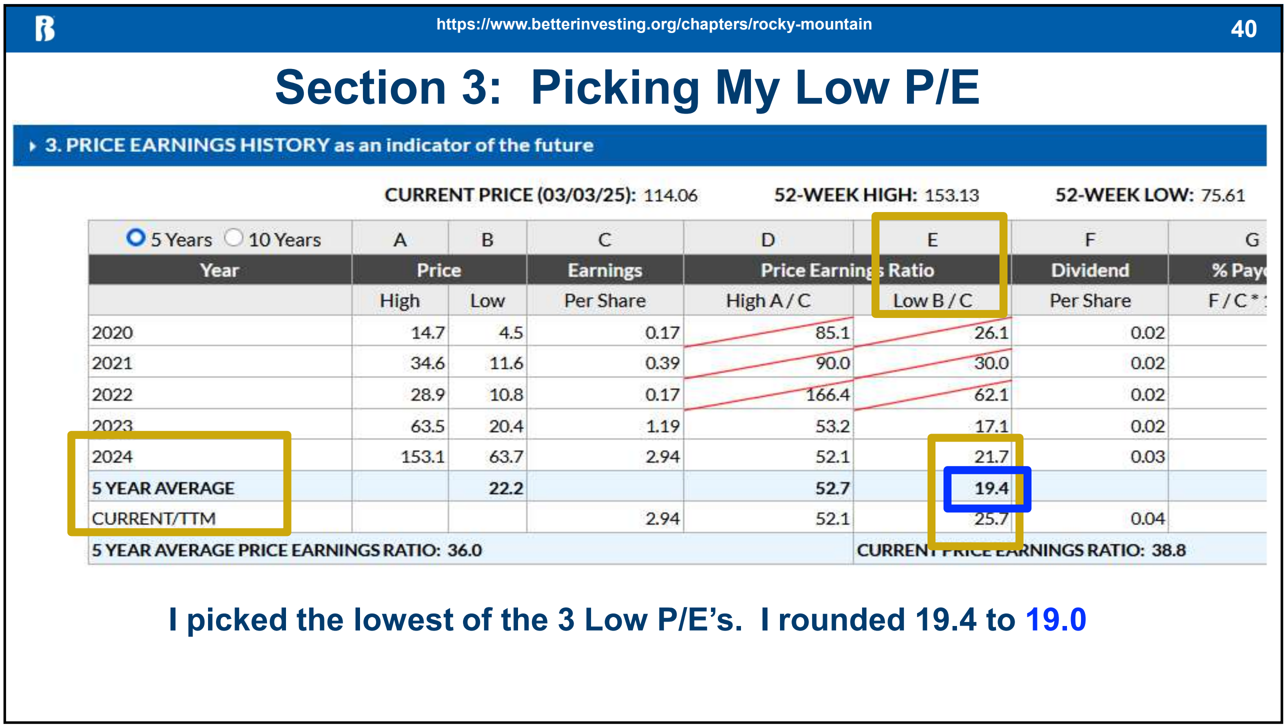
Sales Forecast to High P/E Ratio

The Section 4 High P/E is to be no greater than two times my 5 Year Sales Forecast

	Forecast (%)
Historical Sales ($M)	20
Historical EPS ($)	20

20 x 2 = 40

Our High P/E choice should not be greater than 40.



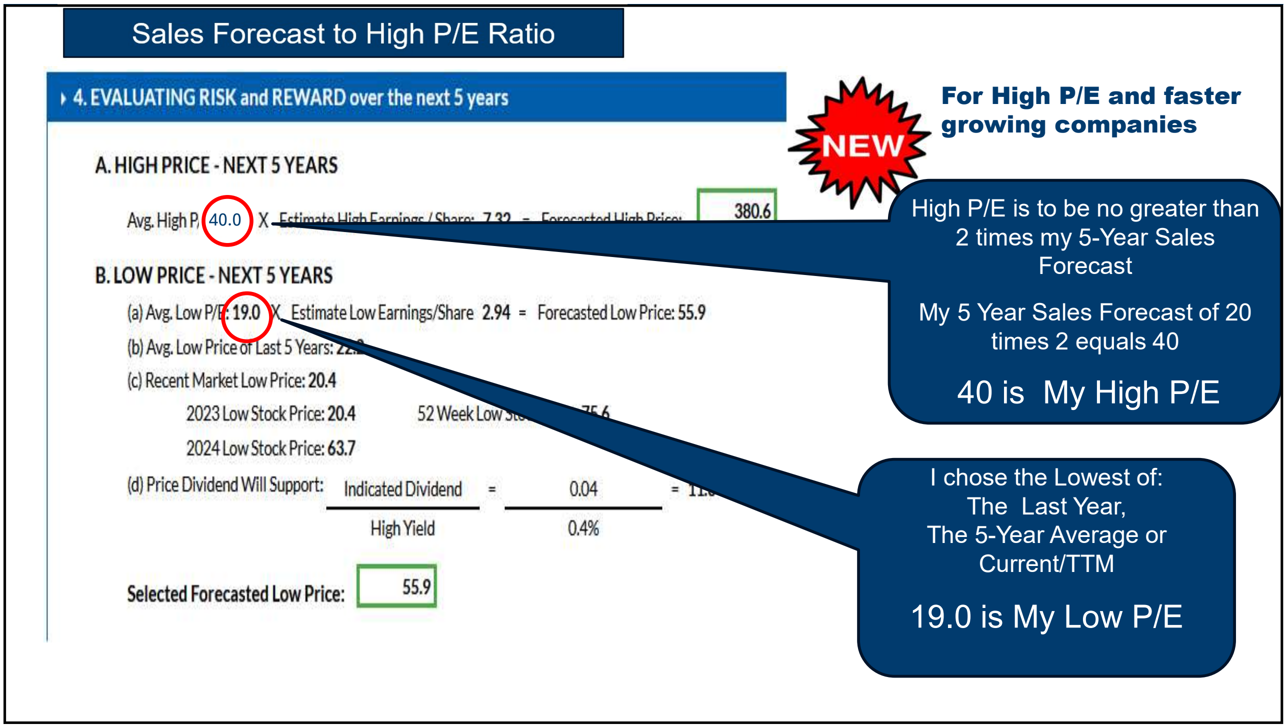
Section 3: Picking My Low P/E

3. PRICE EARNINGS HISTORY as an indicator of the future

CURRENT PRICE (03/03/25): 114.06 **52-WEEK HIGH:** 153.13 **52-WEEK LOW:** 75.61

● 5 Years ○ 10 Years	A	B	C	D	E	F	G
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Pay
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C *
2020	14.7	4.5	0.17	~~85.1~~	~~26.1~~	0.02	
2021	34.6	11.6	0.39	~~90.0~~	~~30.0~~	0.02	
2022	28.9	10.8	0.17	~~166.4~~	~~62.1~~	0.02	
2023	63.5	20.4	1.19	53.2	17.1	0.02	
2024	153.1	63.7	2.94	52.1	21.7	0.03	
5 YEAR AVERAGE		**22.2**		**52.7**	**19.4**		
CURRENT/TTM			2.94	52.1	25.7	0.04	
5 YEAR AVERAGE PRICE EARNINGS RATIO: 36.0				CURRENT PRICE EARNINGS RATIO: 38.8			

I picked the lowest of the 3 Low P/E's. I rounded 19.4 to 19.0



Sales Forecast to High P/E Ratio

4. EVALUATING RISK and REWARD over the next 5 years

A. HIGH PRICE - NEXT 5 YEARS

Avg. High P/ 40.0 X Estimate High Earnings / Share: 7.32 = Forecasted High Price: 380.6

B. LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E: 19.0 X Estimate Low Earnings/Share 2.94 = Forecasted Low Price: 55.9

(b) Avg. Low Price of Last 5 Years: 22

(c) Recent Market Low Price: 20.4

2023 Low Stock Price: 20.4 52 Week Low 75.6

2024 Low Stock Price: 63.7

(d) Price Dividend Will Support: Indicated Dividend / High Yield = 0.04 / 0.4% = 11

Selected Forecasted Low Price: 55.9

NEW

For High P/E and faster growing companies

High P/E is to be no greater than 2 times my 5-Year Sales Forecast

My 5 Year Sales Forecast of 20 times 2 equals 40

40 is My High P/E

I chose the Lowest of:
The Last Year,
The 5-Year Average or
Current/TTM

19.0 is My Low P/E

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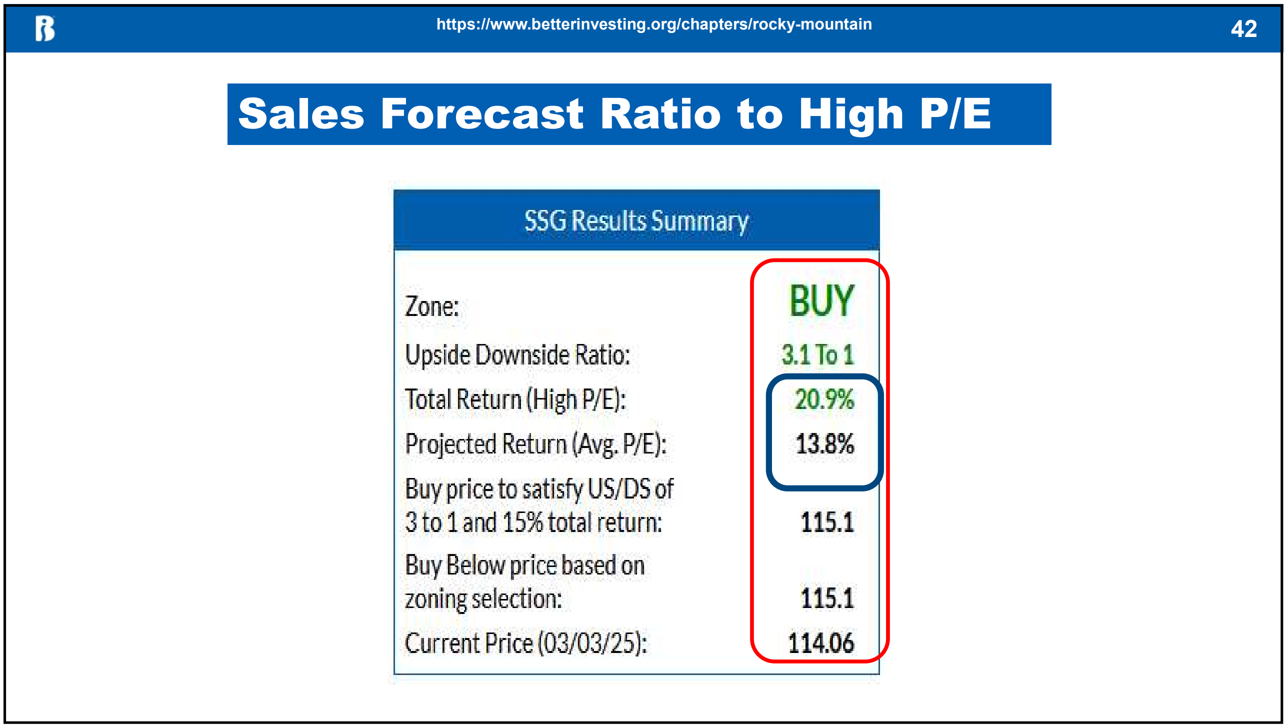

https://www.betterinvesting.org/chapters/rocky-mountain 42

Sales Forecast Ratio to High P/E

SSG Results Summary

Zone:	BUY
Upside Downside Ratio:	3.1 To 1
Total Return (High P/E):	20.9%
Projected Return (Avg. P/E):	13.8%
Buy price to satisfy US/DS of 3 to 1 and 15% total return:	115.1
Buy Below price based on zoning selection:	115.1
Current Price (03/03/25):	114.06

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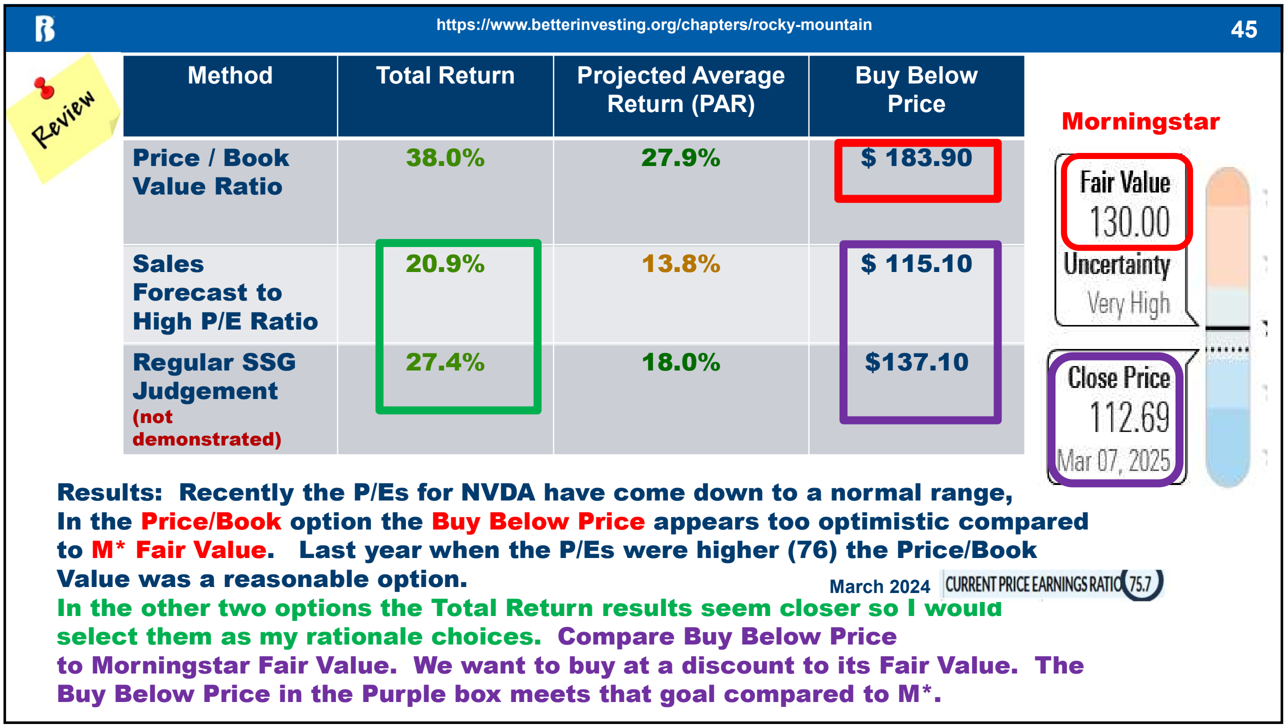
NVDA's "Returns" and "Buy Below Price"

Two different SSG approaches

1. Price to Book Ratio (John Rogers)
2. Sales Forecast to High P/E Ratio (Ticker Talk)

SSG Judgements

Method	Sales Forecast	EPS Forecast	High P/E	Low P/E	Low Price
Price / Book Value Ratio	20%	30%	52%	19%	$55.9
Sales Forecast to High P/E Ratio	20%	20%	40%	19%	$55.9
Regular SSG Judgement (not demonstrated)	20%	20%	52%	19%	$55.9



Method	Total Return	Projected Average Return (PAR)	Buy Below Price
Price / Book Value Ratio	38.0%	27.9%	$ 183.90
Sales Forecast to High P/E Ratio	20.9%	13.8%	$ 115.10
Regular SSG Judgement (not demonstrated)	27.4%	18.0%	$137.10

Morningstar

Fair Value
130.00
Uncertainty
Very High

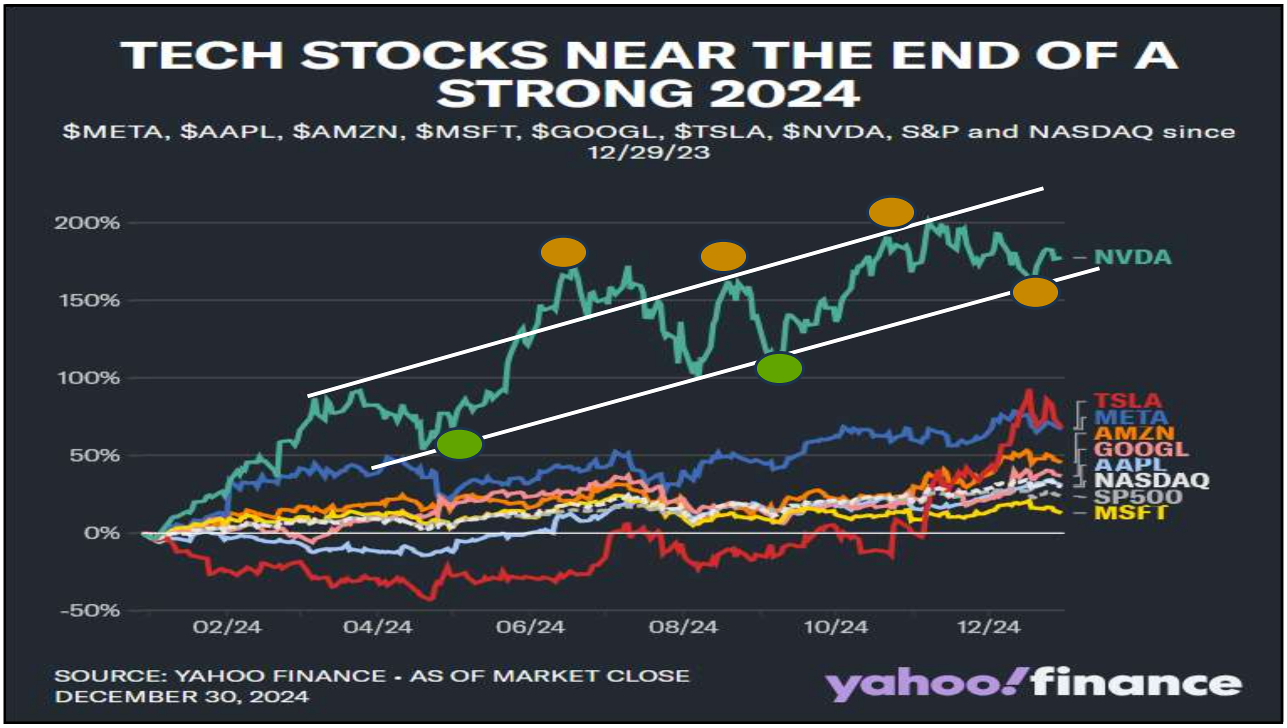
Close Price
112.69
Mar 07, 2025

Results: Recently the P/Es for NVDA have come down to a normal range, In the Price/Book option the Buy Below Price appears too optimistic compared to M* Fair Value. Last year when the P/Es were higher (76) the Price/Book Value was a reasonable option.

March 2024 CURRENT PRICE EARNINGS RATIO 75.7

In the other two options the Total Return results seem closer so I would select them as my rationale choices. Compare Buy Below Price to Morningstar Fair Value. We want to buy at a discount to its Fair Value. The Buy Below Price in the Purple box meets that goal compared to M*.

Take Advantage of Price Correction



TECH STOCKS NEAR THE END OF A STRONG 2024

$META, $AAPL, $AMZN, $MSFT, $GOOGL, $TSLA, $NVDA, S&P and NASDAQ since 12/29/23

SOURCE: YAHOO FINANCE • AS OF MARKET CLOSE DECEMBER 30, 2024

https://www.betterinvesting.org/chapters/rocky-mountain

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NVDA – 1 year price chart, March 4, 2025

$138.81 VL Dec. 20

$115.93 Mar. 4

Notice the price has dropped below the trend line

As of **March 4, 2025, NVIDIA's stock price closed at $115.93**. The stock has experienced some volatility recently, with a 52-week **low of $75.64** and a 52-week **high of $153.11**.
It's worth noting that NVIDIA's stock has seen a significant decline in 2025, with the current price representing a **15% drop year-to-date.** **In a normal market a 7-10% drop may be expected.**

Picking a Buy Price

- Notice the price moves up or down over time
- Complete SSGs using several methods
- Look at the SSG buy below price(s)
- Confirm with Morningstar for a Fair Price
- Determine a reasonable margin of safety
- **In a normal market a 7-10% drop may be expected**
- Place "Limit Order" that is a reasonable buy

Relative Strength Index - In SSG Plus Tool "Research > Price Charts > Stock Charts Weekly Chart"

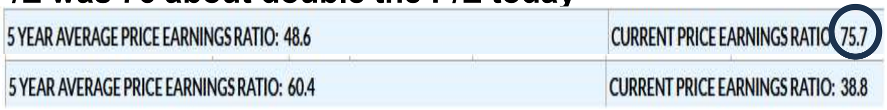
- RSI Chart (Relative Strength Index)
- It is lagging indicator (there are weekly updates)
- Look for buying opportunities below 70 and above 30
- Best opportunities are around 50 to 30
- Caution: Under 30, might be a falling knife stock
- Be patient, wait for opportunities to occur
- By using "Limit Orders", you do not need to watch prices daily
- Buys will occur when price hits the "Limit order"

My Process

- **Be patient, wait for opportunities to come to you**
- **There is a 52-week high and 52-week low price**
- **Something will happen to affect price**
- **Determine Your Buy Price**
- **Place a "Limit" Order**

Learning Opportunities – NE Ohio Chapter

- **April 23** – 4:30 PM MT **Are High P/Es Irrational?**
  - How do BI investors analyze stocks with high P/Es
  - **Using the SSG, learn methods not taught in BI investors classes**
  - Webinar is for Intermediate and Advanced Investors
  - $10 fee
- **Learn more about how I applied these SSG methods**
  - **During NVDA's rapid growth a year ago in more detail**
  - **NVDA's P/E was 76 about double the P/E today**



Mar. 2024 5 YEAR AVERAGE PRICE EARNINGS RATIO: 48.6 CURRENT PRICE EARNINGS RATIO 75.7

Mar. 2025 5 YEAR AVERAGE PRICE EARNINGS RATIO: 60.4 CURRENT PRICE EARNINGS RATIO: 38.8

Acid Test Classes

- **Recording: Basic Acids Tests**
- Is this stock worth further study?
  - “***Sales* drives *Profit*, *Profit* drives *EPS*, *EPS* drives *Price*”**

Here is the link to the recording.

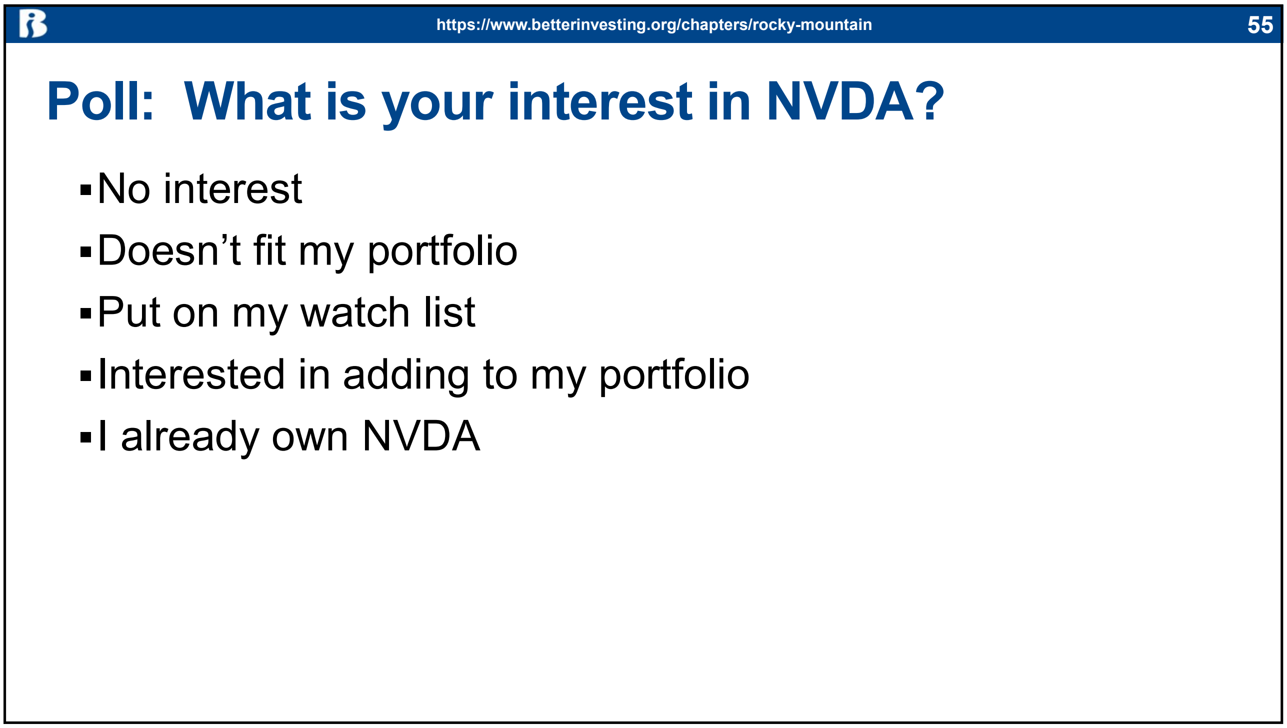
- https://attendee.gotowebinar.com/recording/889942958462725722

- **March 29** – 8:00 AM MT **Advanced Acids Tests - Focus on Pre-Tax Profit** and additional evaluation tools
  - ***“Profit* drives *EPS* and *EPS* drives *Stock Price*”**
  - $10 fee

Questions or Comments?

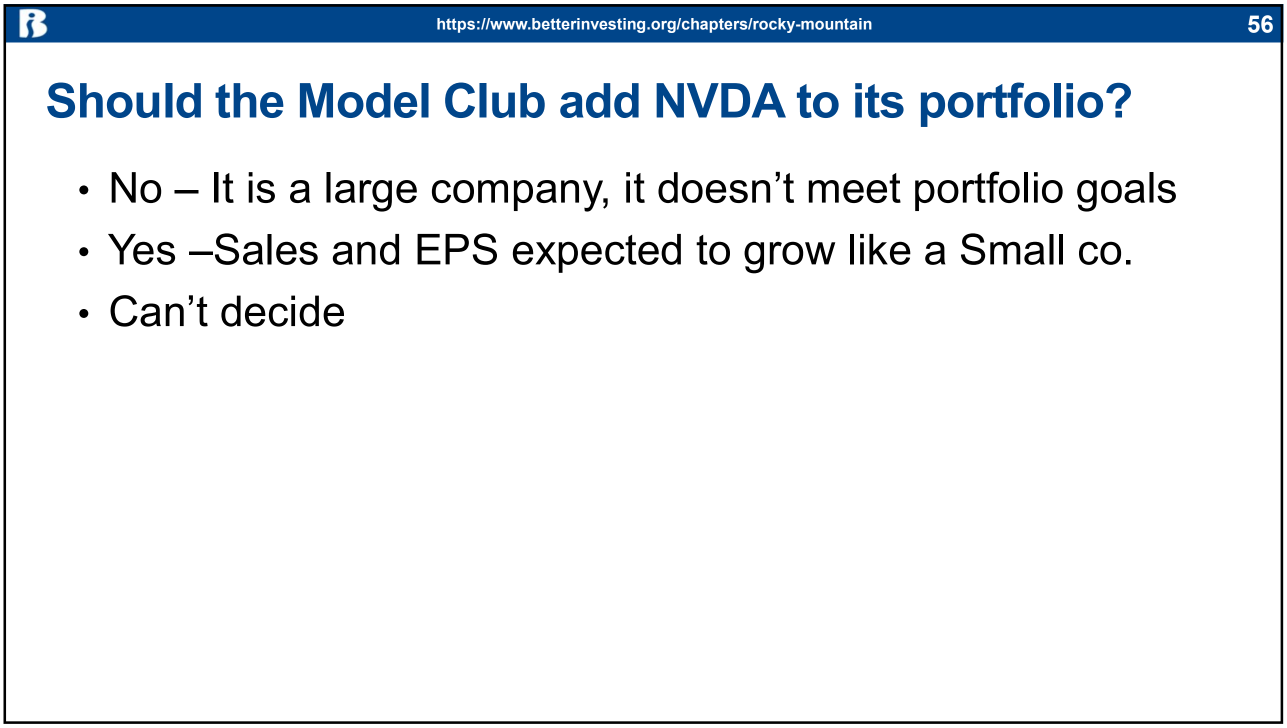
For an introduction to using different ratios for a stock evaluation, view the short presentation by John Rogers.

At the end of this presentation is info about the NVDA & competitors.
I used Perplexity.com (free version) as my AI source.
Download to read later



Poll: What is your interest in NVDA?

- No interest
- Doesn’t fit my portfolio
- Put on my watch list
- Interested in adding to my portfolio
- I already own NVDA



Should the Model Club add NVDA to its portfolio?

- No – It is a large company, it doesn’t meet portfolio goals
- Yes –Sales and EPS expected to grow like a Small co.
- Can’t decide

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How to Place a “Limit Order” to Buy

NVDA - NVIDIA CORP

$121.5
+5.92 (5.12%)

Bid 121.46
Ask 121.50

More details
07:59:59 PM ET, 03/14/2025

Action: Buy
Quantity: 1
Order type: Limit
Price: 100
Timing: Good till canceled
Date: 9/10/2025

Last price w/ Bid and Ask price

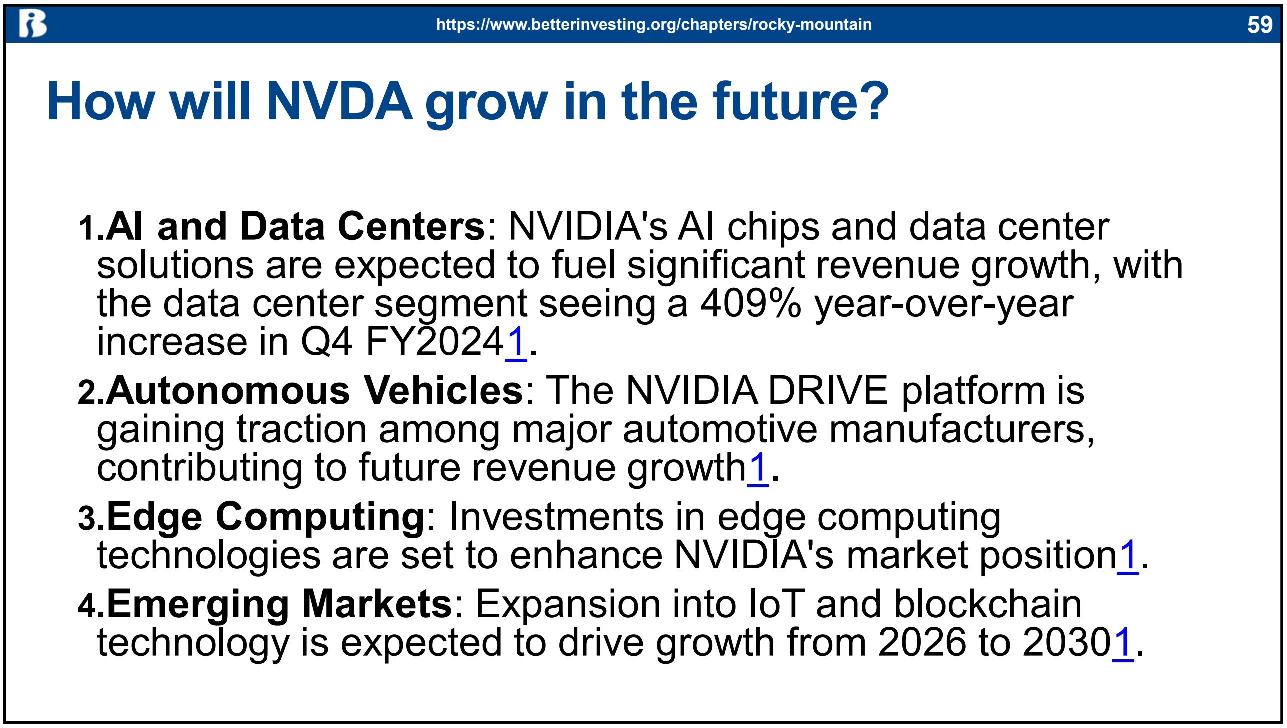
Buy

Number of Shares

“Limit” is the Order Type

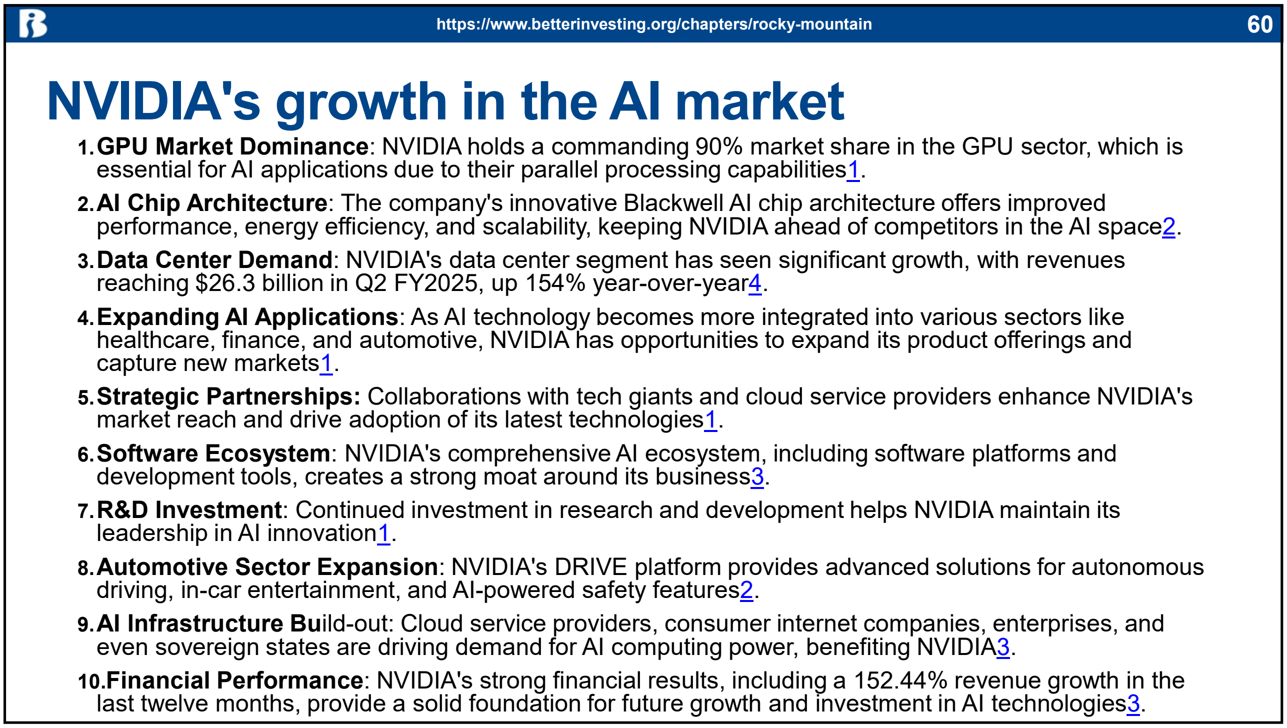
$ amount to purchase (buy) at

**Order usually good for 90 days,
I usually get a reminder email when the 90 days is up to decide to renew, change or cancel**



How will NVDA grow in the future?

1. **AI and Data Centers**: NVIDIA's AI chips and data center solutions are expected to fuel significant revenue growth, with the data center segment seeing a 409% year-over-year increase in Q4 FY2024[1].
2. **Autonomous Vehicles**: The NVIDIA DRIVE platform is gaining traction among major automotive manufacturers, contributing to future revenue growth[1].
3. **Edge Computing**: Investments in edge computing technologies are set to enhance NVIDIA's market position[1].
4. **Emerging Markets**: Expansion into IoT and blockchain technology is expected to drive growth from 2026 to 2030[1].

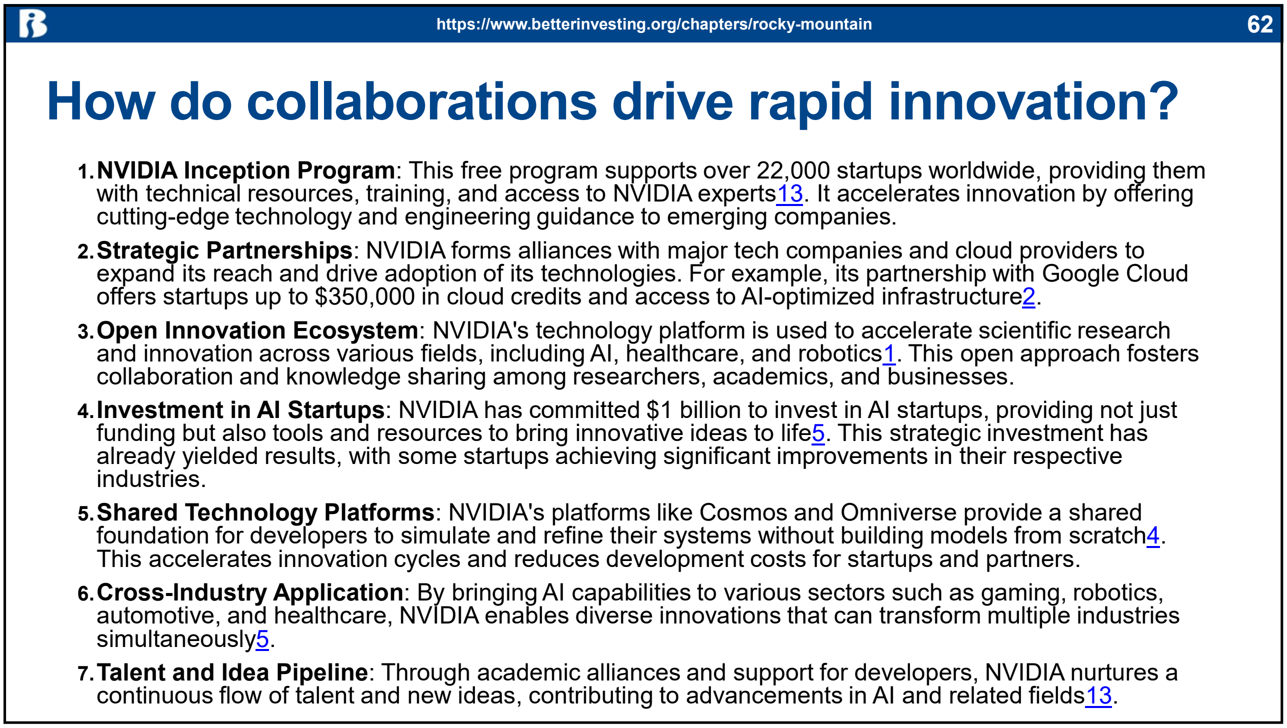


NVIDIA's growth in the AI market

1. **GPU Market Dominance**: NVIDIA holds a commanding 90% market share in the GPU sector, which is essential for AI applications due to their parallel processing capabilities[1].
2. **AI Chip Architecture**: The company's innovative Blackwell AI chip architecture offers improved performance, energy efficiency, and scalability, keeping NVIDIA ahead of competitors in the AI space[2].
3. **Data Center Demand**: NVIDIA's data center segment has seen significant growth, with revenues reaching $26.3 billion in Q2 FY2025, up 154% year-over-year[4].
4. **Expanding AI Applications**: As AI technology becomes more integrated into various sectors like healthcare, finance, and automotive, NVIDIA has opportunities to expand its product offerings and capture new markets[1].
5. **Strategic Partnerships:** Collaborations with tech giants and cloud service providers enhance NVIDIA's market reach and drive adoption of its latest technologies[1].
6. **Software Ecosystem**: NVIDIA's comprehensive AI ecosystem, including software platforms and development tools, creates a strong moat around its business[3].
7. **R&D Investment**: Continued investment in research and development helps NVIDIA maintain its leadership in AI innovation[1].
8. **Automotive Sector Expansion**: NVIDIA's DRIVE platform provides advanced solutions for autonomous driving, in-car entertainment, and AI-powered safety features[2].
9. **AI Infrastructure Bu**ild-out: Cloud service providers, consumer internet companies, enterprises, and even sovereign states are driving demand for AI computing power, benefiting NVIDIA[3].
10. **Financial Performance**: NVIDIA's strong financial results, including a 152.44% revenue growth in the last twelve months, provide a solid foundation for future growth and investment in AI technologies[3].

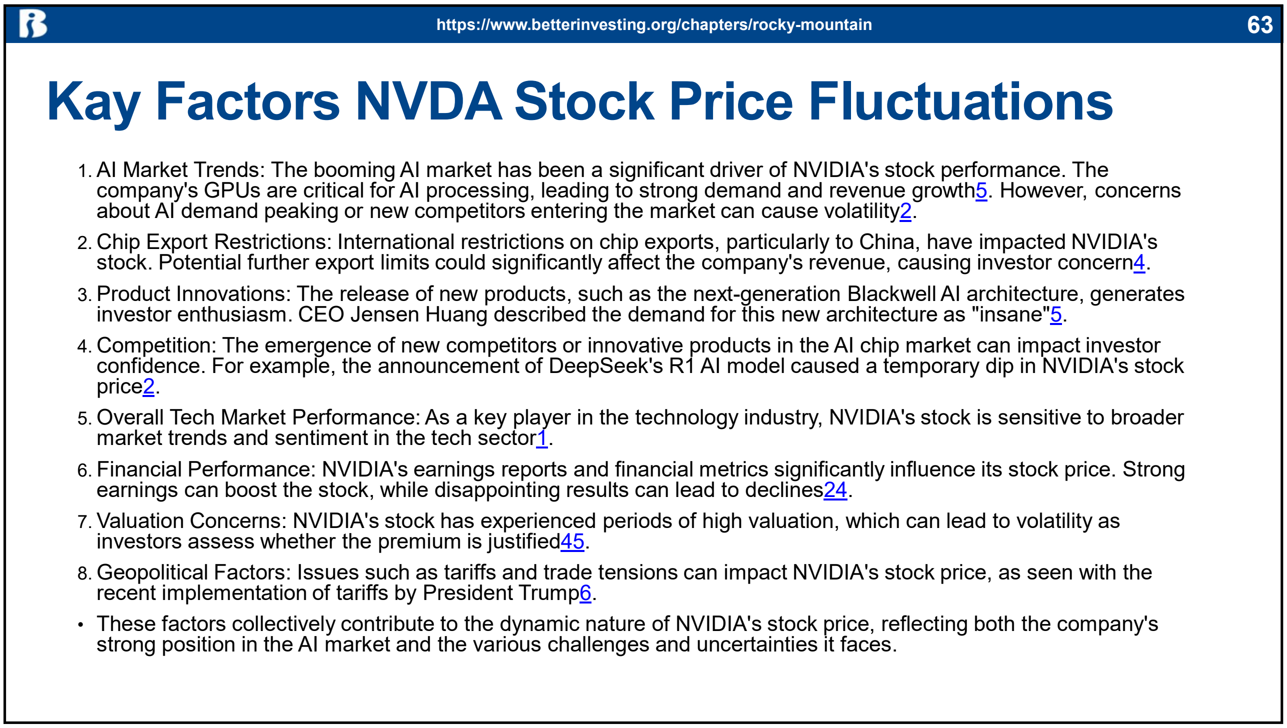
Role strategic partnerships in NVIDIA's growth strategy

1. **Market Expansion**: Partnerships allow NVIDIA to penetrate new markets and segments, unlocking further growth opportunities[3]. By collaborating with industry giants like Microsoft, AWS, and Google, NVIDIA integrates its GPUs into their platforms and cloud services, expanding its customer base and solidifying its position in high-performance computing solutions[1].
2. **Innovation and R&D**: Collaborations with tech companies, research institutions, and universities foster knowledge-sharing and access to cutting-edge technologies, enabling NVIDIA to stay at the forefront of technological advancements[15]. These partnerships drive research and development, leading to innovative applications of NVIDIA's technology across diverse fields such as healthcare and robotics[5].
3. **Ecosystem Development**: NVIDIA actively cultivates relationships with game developers, content creators, and software vendors to ensure compatibility and optimization for their GPUs and SoCs[4]. This collaborative approach creates a mutually beneficial environment, increasing brand loyalty and demand for NVIDIA's products[4].
4. **Industry-Specific Solutions**: By engaging with automotive, healthcare, and other industry sectors, NVIDIA develops tailored solutions that meet specific market needs, enhancing its presence in diverse industries[3]. For example, the partnership with Mercedes-Benz integrates advanced technology into vehicles, leveraging shared expertise[5].
5. **Cloud and AI Advancements**: Collaborations with cloud hyperscalers contribute significantly to NVIDIA's revenue, with over 50% coming from these partnerships[6]. The company's DGX Cloud expansion to include major cloud providers like AWS, Microsoft Azure, and Google Cloud further strengthens its position in the AI and cloud computing markets[6].
6. **Talent and Idea Pipeline**: Academic alliances help NVIDIA nurture a pipeline of talent and new ideas, contributing to advancements in AI, machine learning, and computer science[3].
7. **Risk Management**: Collaborative endeavors spread risk across partners, providing a buffer against market volatility and unforeseen disruptions[3].



How do collaborations drive rapid innovation?

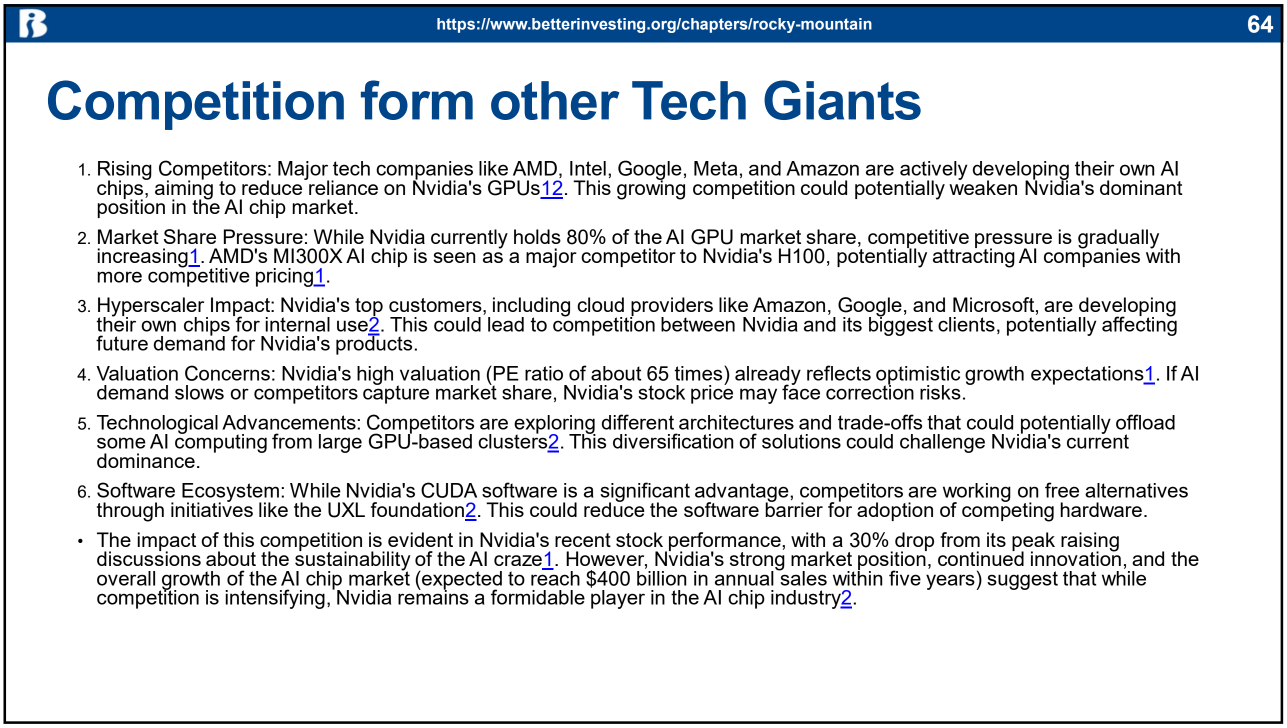
1. **NVIDIA Inception Program**: This free program supports over 22,000 startups worldwide, providing them with technical resources, training, and access to NVIDIA experts[13]. It accelerates innovation by offering cutting-edge technology and engineering guidance to emerging companies.
2. **Strategic Partnerships**: NVIDIA forms alliances with major tech companies and cloud providers to expand its reach and drive adoption of its technologies. For example, its partnership with Google Cloud offers startups up to $350,000 in cloud credits and access to AI-optimized infrastructure[2].
3. **Open Innovation Ecosystem**: NVIDIA's technology platform is used to accelerate scientific research and innovation across various fields, including AI, healthcare, and robotics[1]. This open approach fosters collaboration and knowledge sharing among researchers, academics, and businesses.
4. **Investment in AI Startups**: NVIDIA has committed $1 billion to invest in AI startups, providing not just funding but also tools and resources to bring innovative ideas to life[5]. This strategic investment has already yielded results, with some startups achieving significant improvements in their respective industries.
5. **Shared Technology Platforms**: NVIDIA's platforms like Cosmos and Omniverse provide a shared foundation for developers to simulate and refine their systems without building models from scratch[4]. This accelerates innovation cycles and reduces development costs for startups and partners.
6. **Cross-Industry Application**: By bringing AI capabilities to various sectors such as gaming, robotics, automotive, and healthcare, NVIDIA enables diverse innovations that can transform multiple industries simultaneously[5].
7. **Talent and Idea Pipeline**: Through academic alliances and support for developers, NVIDIA nurtures a continuous flow of talent and new ideas, contributing to advancements in AI and related fields[13].



Kay Factors NVDA Stock Price Fluctuations

1. AI Market Trends: The booming AI market has been a significant driver of NVIDIA's stock performance. The company's GPUs are critical for AI processing, leading to strong demand and revenue growth[5]. However, concerns about AI demand peaking or new competitors entering the market can cause volatility[2].
2. Chip Export Restrictions: International restrictions on chip exports, particularly to China, have impacted NVIDIA's stock. Potential further export limits could significantly affect the company's revenue, causing investor concern[4].
3. Product Innovations: The release of new products, such as the next-generation Blackwell AI architecture, generates investor enthusiasm. CEO Jensen Huang described the demand for this new architecture as "insane"[5].
4. Competition: The emergence of new competitors or innovative products in the AI chip market can impact investor confidence. For example, the announcement of DeepSeek's R1 AI model caused a temporary dip in NVIDIA's stock price[2].
5. Overall Tech Market Performance: As a key player in the technology industry, NVIDIA's stock is sensitive to broader market trends and sentiment in the tech sector[1].
6. Financial Performance: NVIDIA's earnings reports and financial metrics significantly influence its stock price. Strong earnings can boost the stock, while disappointing results can lead to declines[2,4].
7. Valuation Concerns: NVIDIA's stock has experienced periods of high valuation, which can lead to volatility as investors assess whether the premium is justified[4,5].
8. Geopolitical Factors: Issues such as tariffs and trade tensions can impact NVIDIA's stock price, as seen with the recent implementation of tariffs by President Trump[6].

- These factors collectively contribute to the dynamic nature of NVIDIA's stock price, reflecting both the company's strong position in the AI market and the various challenges and uncertainties it faces.



Competition form other Tech Giants

1. Rising Competitors: Major tech companies like AMD, Intel, Google, Meta, and Amazon are actively developing their own AI chips, aiming to reduce reliance on Nvidia's GPUs[1,2]. This growing competition could potentially weaken Nvidia's dominant position in the AI chip market.
2. Market Share Pressure: While Nvidia currently holds 80% of the AI GPU market share, competitive pressure is gradually increasing[1]. AMD's MI300X AI chip is seen as a major competitor to Nvidia's H100, potentially attracting AI companies with more competitive pricing[1].
3. Hyperscaler Impact: Nvidia's top customers, including cloud providers like Amazon, Google, and Microsoft, are developing their own chips for internal use[2]. This could lead to competition between Nvidia and its biggest clients, potentially affecting future demand for Nvidia's products.
4. Valuation Concerns: Nvidia's high valuation (PE ratio of about 65 times) already reflects optimistic growth expectations[1]. If AI demand slows or competitors capture market share, Nvidia's stock price may face correction risks.
5. Technological Advancements: Competitors are exploring different architectures and trade-offs that could potentially offload some AI computing from large GPU-based clusters[2]. This diversification of solutions could challenge Nvidia's current dominance.
6. Software Ecosystem: While Nvidia's CUDA software is a significant advantage, competitors are working on free alternatives through initiatives like the UXL foundation[2]. This could reduce the software barrier for adoption of competing hardware.

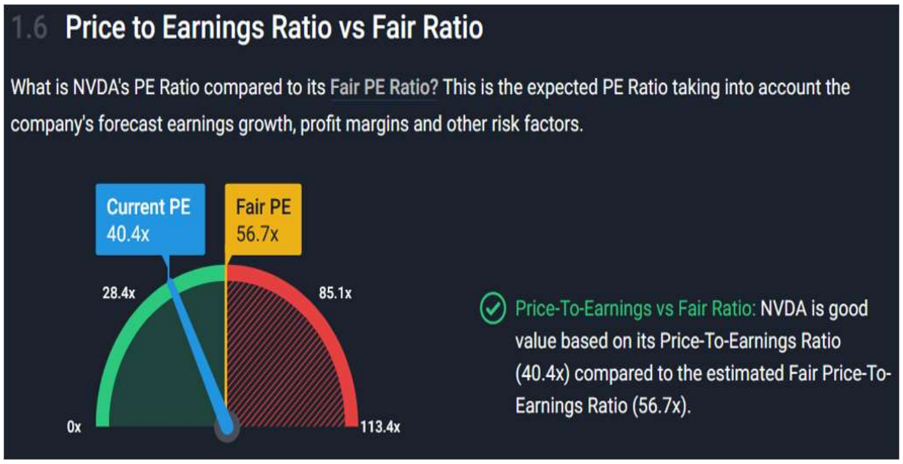
- The impact of this competition is evident in Nvidia's recent stock performance, with a 30% drop from its peak raising discussions about the sustainability of the AI craze[1]. However, Nvidia's strong market position, continued innovation, and the overall growth of the AI chip market (expected to reach $400 billion in annual sales within five years) suggest that while competition is intensifying, Nvidia remains a formidable player in the AI chip industry[2].

NVDA – InvestorPlace, March 6, 2025

- I'm bearish on Nvidia in the near-term. Semiconductors are cyclical, but investors get carried away and became downright euphoric during the recent AI-fueled rally. We saw huge gains this past year that I expect to reverse, much like the 2000 dot-com bubble.
- Several headwinds face Nvidia investors. Many tech giants are developing their own AI chips rather than buying from Nvidia. With these firms also backing AI startups, Nvidia's dominance in this space may wane. Moreover, rivals like **Intel** (NASDAQ:INTC) and **AMD** (NASDAQ:AMD) are rolling out powerful new AI chips. It's only a matter of time before they catch up.
- Nvidia remains a momentum stock today. I believe long-term holders can still profit, but likely after weathering steep losses first. Even with these headwinds, $1,300 per share by 2030 seems achievable for NVDA stock.
- Omor Ibne Ehsan

Another Ratio for comparison: Price to Earnings vs. Fair Value

3/06/2025



1.6 Price to Earnings Ratio vs Fair Ratio

What is NVDA's PE Ratio compared to its Fair PE Ratio? This is the expected PE Ratio taking into account the company's forecast earnings growth, profit margins and other risk factors.

✓ Price-To-Earnings vs Fair Ratio: NVDA is good value based on its Price-To-Earnings Ratio (40.4x) compared to the estimated Fair Price-To-Earnings Ratio (56.7x).

Chart shows the Price to Earnings vs Fair Ratio: that NVDA is a good value compared to P/E ratio

1.3 Price to Earnings Ratio vs Peers

How does NVDA's PE Ratio compare to its peers?

Price-To-Earnings vs Peers: NVDA is good value based on its Price-To-Earnings Ratio (40.4x) compared to the peer average (108.8x).

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